BUDGET AND FINANCE VERTICAL

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EXECUTIVE SUMMARY

INTRODUCTION

Guided by the Multi-Year Financial Plan, initially published in April of 2002, Nassau County has balanced three consecutive budgets, generated considerable annual operating surpluses, augmented its fund balance and reserve levels, dramatically reduced its cash flow borrowing requirements, and earned ten increases from the three credit rating agencies since February of 2003.

During this period, the County also took a series of actions to address an impending cash crisis at the Nassau Health Care Corporation ("Corporation"), working with the administration of the Corporation and its health care consultant to stabilize the Corporation's finances, enhance its liquidity, and rightsize its operations. Today, the Corporation has been transformed and serves as an example for county-sponsored health systems across New York State.

Now, Nassau County must confront the last remaining hurdle to its long-term fiscal viability – shifting to its operating budget the responsibility of paying property tax refunds. For the last three years, the administration has been working aggressively to implement a series of reforms to its assessment and assessment review processes: annual updates, unilateral roll corrections, an extended period for administrative review, large-scale refund payments, reductions in accumulated refund liability, and the impending use of the refund without settlement program. These strategies have made it possible to transition to pay-as-you-go ("PAYGO") financing of tax refunds, a transition which will fundamentally alter the fiscal structure of the County for decades to come. But the cost of making such a shift – an annual appropriation of $50 million – is a difficult price to pay, particularly all at once.

The administration shall make this shift during the 2006 fiscal year. It will accomplish this objective, though, in a way which preserves essential governmental programming, minimizes the burden to taxpayers, and represents a responsible use or available resources and opportunities.

Earlier this year, Governor Pataki and the State Legislature capped the growth of the local share of Medicaid for counties across the State of New York ("Medicaid Cap"). The County Executive's Association, led by County Executive Suozzi, fought hard for the Medicaid Cap. The Medicaid Cap provides considerable long-term structural relief for county governments, and it makes possible a unique budgetary opportunity in Nassau County as well.

The 2006-2009 Multi-Year Financial Plan ("Plan") utilizes a variety of identifiable one-time sources of revenue and expense relief - $90 million in total – to comprise the County's *PAYGO / Medicaid Cap Transitional Funds* ("Transitional Funds"). The Transitional Funds will be used on a declining basis over the Plan period to facilitate the financing of property tax refunds on a PAYGO basis beginning in the 2006 fiscal year, but do so in a way that enables the administration to deliver a *third consecutive budget without an increase in property taxes*. The use of the Transitional Funds was first discussed in the Update to the 2005-2008 Multi-Year Financial Plan ("Update"), which was published in June of 2005 by the administration and subsequently approved by the Nassau County Interim Finance Authority ("NIFA"). In the out-years of the Plan, the use of the Transitional Funds will decline as the recurring impact of the Medicaid Cap grows.

With its budgetary successes to date, the stabilization of the Nassau Health Care Corporation, the transition to the payment of property tax refunds from the operating budget, the passage of the Medicaid Cap, and the continued institutionalization of financial best practices throughout the government, Nassau

County will have overcome the most significant challenges to its financial health, putting behind it, once and for all, the destructive legacy of its fiscal past.

SUMMARY OF 2004 OPERATING RESULTS

Nassau County ended the 2004 fiscal year with an operating surplus totaling $76.9 million aggregated across its major operating funds, achieving structurally balanced operations for the second consecutive year. The County's successful operating performance can be attributed to a number of different factors:

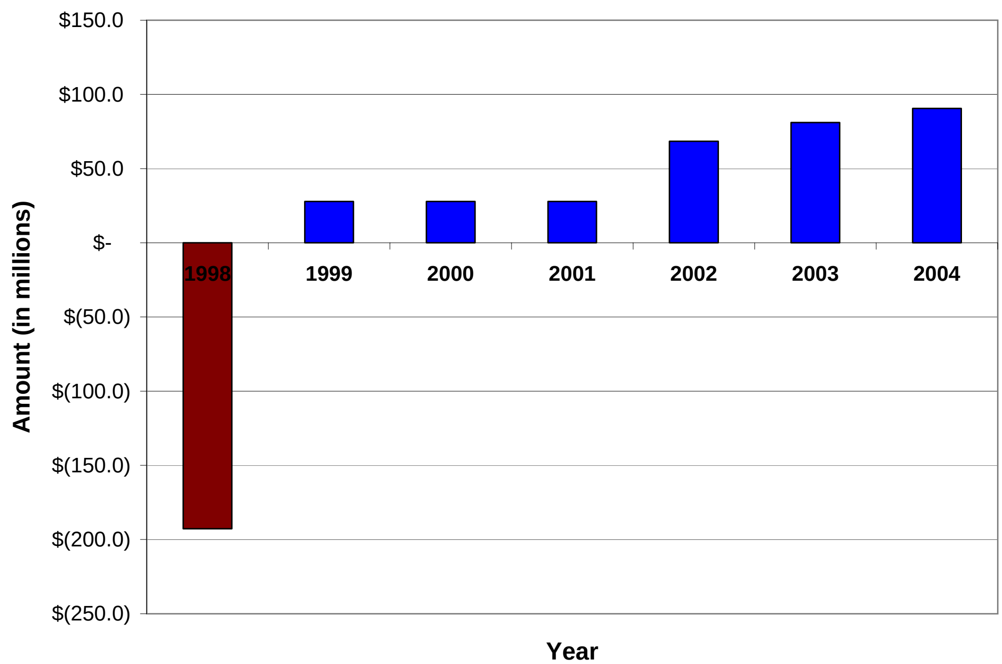
- The conservative estimation of sales tax revenues;
- The release of accruals due to the DAI/SOA arbitration awards and the execution of a Stabilization Agreement with the Nassau Health Care Corporation;
- The advance refunding and interest rate exchange agreements executed through NIFA;
- The successful implementation of "smart government initiatives";
- Substantial positive variances in Medicaid expenses; and
- The absorption by the Sewer and Storm Water Resources District of expenses related to storm water management.

The administration directed $54.1 million of the 2004 positive operating surplus to two reserves established pursuant to the New York State General Municipal Law ("GML"). Creating formal reserve funds is, without question, a good financial practice, and their creation is a further sign of the County's progress towards full fiscal recovery. The creation of such reserve funds – as well as the accumulation and use of unreserved fund balance – is discussed in the Fund Balance and Reserve Policy presented in as subsequent section of the Plan.

The County transferred $28.9 million to an Employee Benefit Accrued Liability Reserve Fund to protect the County from excessive sworn officer separation payments in the future, and it transferred $25.2 to a Reserve for the Retirement of Bonded Indebtedness to provide resources to offset future debt service payments or to extinguish debt early.

The County also transferred $10 million to the Debt Service Fund to use to make debt service payments during the 2005 fiscal year. The administration elected to establish a balance sheet reserve totaling $3.3 million for the payment of small legal judgments and settlements. The remaining $9.5 million was used to increase the County's accumulated unreserved, undesignated fund balance, which has grown from $27.8 million in 2001 to $90.5 million by the end of 2004.

Figure 1. The Growth in Unreserved, Undesignated Fund Balance in the County's Major Operating Funds (1998-2004)



	1999	2000	2001	2002	2003	2004
Opening Positive / (Negative) Unreserved, Undesignated Fund Balance	$ (192.7)	$ 27.8	$ 27.8	$ 27.8	$ 68.4	$ 81.0
Current Year Contribution to / (Reduction in) Fund Balance	220.5	-	-	40.6	12.6	9.5
Designated Fund Balance	-	-	-	-	-	-
Closing Positive / (Negative) Unreserved, Undesignated Fund Balance	**$ 27.8**	**$ 27.8**	**$ 27.8**	**$ 68.4**	**$ 81.0**	**$ 90.5**

In addition to augmenting its reserve and fund balance levels, the County preserved its remaining tobacco securitization proceeds for the third consecutive year, and it benefited financially from a State-legislated deferral of the pension payment date.

Last year, the State of New York deferred from December of 2004 to February of 2005 the date upon which local governments were obligated to make their required contributions to the pension fund. By deferring the pension payment date, the State of New York permitted local governments that operate on a calendar fiscal year to reserve pension funds appropriated in the 2004 budget to ease the future-year impact of the growth in annual pension contributions. Nassau County transferred $78.5 million in 2004 to a Pension Contribution Reserve Fund, which was created pursuant to the GML and which requires the separate approval of the Legislature to access. Nassau's transfer to its Pension Contribution Reserve Fund was the largest of any county in New York State.

Primarily because of the State's deferral of the pension payment date, Nassau County did not need to borrow for cash flow purposes in 2004, marking the first time in recent history that the County had cash balances throughout the entire year sufficient to make its required payments. Nassau's strengthened cash position is a product of its careful fiscal management, the growth of its reserves, and the increase in its unreserved, undesignated fund balance. Just four years ago, Nassau issued $469.4 million in short-term notes to meet its cash flow needs.

Under normal circumstances, the County would have had sufficient cash balances and internal sources of liquidity to avoid a cash flow borrowing and the associated interest payments during the 2005 fiscal year. However, it pre-paid its 2006 pension contribution obligations in December of 2005. Doing so enabled the County to avoid the State-imposed 8% interest charge that would have been incurred if the County had waited until February of 2006 to make this payment.

Nassau's improved financial position was recognized by the Wall Street credit rating agencies. The three credit rating agencies elevated the ratings assigned to the County's outstanding long-term debt 11 times since February of 2003. Moody's Investors Service raised Nassau's credit rating from a Baa3 to an A3. Standard and Poor's increased the County's credit rating from a BBB- (with a negative outlook) to an A. And Fitch Ratings has moved the County's credit rating from a BBB to an A+. Fitch has also assigned a positive outlook to Nassau County, which means that there is a greater than 50% chance that the County's rating will be improved again over a one to three year period.

THE 2005 BUDGET

As of its third quarter budget report, the Office of Management and Budget ("OMB") projected that the County would generate a sizeable positive operating surplus of $66 million during the 2005 fiscal year.

During the first three quarters of every fiscal year, the administration's general strategy is to focus its attention – and surplus resources – to mitigating any known, quantifiable risks to budgetary balance. In its Third Quarter Report, OMB identified a series of exposures to the County's 2005 operating budget, including negative variances in:

- Sales tax collections;
- Sworn officer overtime;
- The allocation provided to the County by the State under the new Flexible Fund for Family Services program;
- Workers' compensation expenses;
- Federal inmate reimbursement;
- OTB profitability;
- Parks Department revenue;
- Utility and other fuel cost increases;
- Higher enrollment in Special Education programs;
- Lower entertainment taxes, service fees, and PILOT revenues;
- Complexities in collecting from legally-encumbered tax liens;
- The cost of extending the contract with Manatt, Phelps, and Phillips, LLC.

These exposures have been offset, in turn, by anticipated positive variances in:

- Retiree health insurance costs;
- Medicaid expenses (due to lower-than-expected 2004 actuals);
- Family Health Plus (due to the acceleration by the State of its takeover);
- Early Intervention spending;
- Higher investment earnings;
- Deferred sales tax revenues;
- Debt service savings due to NIFA refunding;
- Various favorable variances in State aid, including an increased distribution from the Indigent Legal Services Fund, increased reimbursements for preschool spending, a retroactive reimbursement for transportation costs for the Department of Mental Health, and increased reimbursements for the DSS document imaging project and Special Education Assistance;
- Increased revenue collection at the Traffic and Parking Violations Agency, and
- Various one-time recoveries.

OMB believes that there are three remaining threats to the County's performance in 2005, though these threats are more than offset by the significant non-recurring benefits that the County will experience during the fiscal year.

First, Police Department overtime may still be higher than the administration's projections anticipate. OMB believes that it has accommodated the full risk in its projections, and it has not yet factored in many managerial initiatives that its is hoped will bear fruit and reduce overtime during the final quarter of the year. However, given recent history, OMB recognizes that overtime in the Police Department and the Correctional Center could exceed its projection, so this is an area that requires continued monitoring.

Second, the State's adopted 2005-2006 budget allocates $7.5 million to provide Nassau County with its final installment of transitional assistance payable under the Act establishing the Nassau County Interim Finance Authority ("NIFA"). The County, NIFA, and the Governor's Office agreed to split the County's 2004 transitional assistance payment over two fiscal years - $7.5 million in 2004 and $7.5 million in 2005 – in order to assist the State through its 2004-2005 budget process. However, this year's State budget requires the County to certify the existence of a deficit by October 1, 2005 in order to receive the allocated transitional assistance during its 2005 fiscal year. The County will not be able to make such a certification regarding the major operating funds, taken together, since the administration anticipates ending the fiscal year with a comfortable positive operating surplus factoring in all the available one-time resources discussed below. Alternatively, the administration has argued that the existence of a projected deficit in the "stand-alone" Police District Fund satisfies the requirements of the NIFA Act, and it submitted a formal request for aid to NIFA on September 30, 2005. This request has been forwarded to the Governor's Office and is currently under consideration.

Third, sales tax revenues continue to pose a potential threat to the County's performance during the 2005 fiscal year, though the threat is not as great as it appeared at the time of the publication of the Update. Nassau's first quarter sales tax receipts were 4% lower than they were in the first quarter of 2004. However, the County's sales tax revenues in the second quarter increased 6% over the second quarter of 2004. To date, the County's sales tax revenues have grown a total of 2.1% over last year's revenues.

The national economy picked up somewhat in the second quarter, due mainly to discounted automobile sales. August retail sales, unfortunately, declined sharply on a national level, which reflected the end of various automobile promotions, the spike in summer gasoline prices, and some of the initial effects of Hurricane Katrina.

In light of year-to-date results, the administration revised its year-end projection for sales tax growth from 2.64% down to 2.20%. Given the August retail sales report, rising fuel costs, the potential negative impact of recent Congressional legislation regarding automotive leases, and the uncertain future effects of Hurricane Katrina, the County must continue its vigilance in monitoring its sales tax performance. Still, with the growth in second quarter sales tax revenues, and with end of the strike in the National Hockey League, the administration cautiously believes that its original budgetary estimate of 2.64% year-over-year sales tax growth is attainable. Accordingly, the 2006 budget and the Plan assume this level of sales tax growth in 2005, though the administration has included a $5 million designation of fund balance in the 2006 budget in the event that the economy remains sluggish through the remainder of the year.

The administration has identified a number of benefits that more-than-offset these potential exposures and contribute to the sizeable positive operating surplus anticipated in the 2005 budget.

The Capital Projects Fund has an account – the 840 account – into which revenues, such as State and Federal grants, are deposited for the express intention of retiring debt or paying debt service for various general fund projects. Resources in the 840 account must be used in connection with the projects for which they were earmarked. The prior administration drew down funds from the 840 account annually to reduce annual debt service expenses. Since the Suozzi administration began, these funds have not been utilized, so the resources that have accumulated in this account have grown appreciably over the last four years. As of December 31, 2004, there were over $29 million in the 840 account. Removing any project-related revenues that are slated to be used to advance the County's Capital Improvement Plan, the administration has $24.9 million upon which to rely to retire debt or pay debt service. The administration intends to utilize these funds this year to pay project-related debt service, creating a positive variance in 2005 debt service expenses.

The administration has identified a recovery of $15.1 million of prior-year expenses from the Sewer and Storm Water Resources District ("District"), which was created as the operational companion to the Sewer and Storm Water Finance Authority. Bond counsel has advised the County that storm water costs should be borne by the District and not by the County. This is required under the Charter, the County Law, and the specific language in Chapter 685 of the Laws of 2003 which authorized the creation of the District. The statute provides that the zones of assessment, which were created for both sewer and storm water purposes, shall allocate the costs of the operating the County's sewer and storm water facilities. The allocation to the District occurs automatically "upon establishment of the District." Since the District was created by the State and the County before the end of 2003, the costs of storm water services in that year are properly borne by the District zone of assessment applicable to storm water services, not by the County general fund. The County has properly charged the District for storm water expenses in 2004 and 2005, and it has included such charges going forward in its Plan.

The Medicaid Cap statutory language provides an opportunity for certain counties in New York State to benefit on a one-time basis from the change in the underlying funding structure of the State's Medicaid program. Under the Medicaid program, counties establish year-end accruals for Medicaid-related expenses that have been incurred but not yet paid, as well as for Medicaid-related revenues that have been earned but not yet received. Nassau County establishes expense accruals to adjust for lags in its Medicaid cycle and MARS 39 payments. The County establishes revenue accruals for delays in the receipt of prescription drug rebate revenue and overburden aid. Beginning on January 1, 2006, the funding structure of the New York State Medicaid program will change from one where county local share payments constitute fees for various Medicaid services to one where the counties will pay regular installment contributions to the Medicaid program, independent of actual services, determined by a formula applied to actual 2005 Medicaid expenses and revenues. As a result of this transition, the counties will not have an obligation to satisfy their year-end Medicaid expense accruals, nor will they be entitled to receive accrued Medicaid revenues. For Nassau County, the net impact of no longer having to make these year-end accruals is a budgetary benefit of approximately $13.5 million.

In addition to these considerable one-time expense relief and revenue opportunities, OMB has identified other potential budgetary benefits that have not yet been incorporated in its year-end projections.

The 2005 budget contains funding for 8,933 full-time positions. Through September 29, 2005, the administration had 8,708 full-time employees, 225 less than budget. While the administration does anticipate hiring, most notably in the Police Department and Correctional Center, the budget does not assume savings from routine turnover. It is too early to project year-end salary spending with certainty; however, it is likely that the County will experience significant recurring savings in this area.

Additionally, the County is pursuing pharmaceutical litigation, initiating anti-fraud research, and investigating potential deficiencies in prior-year overburden assistance. Each of these efforts could result in either a recovery or a permanent adjustment to the County's Medicaid expenses. For now, though, OMB has not include the possible benefit from either Medicaid cost containment or these other Medicaid-related efforts in its projections, nor has it included these potential benefits in the 2006 budget.

Finally, it is still an open question how the State will deal with the non-federal IGT funds that under current law go to County-sponsored hospitals. The statutory language has changed from prior years, requiring both a "certificate of the director of the division of the budget" and "the written consent of…the chief elected officer of a county in the state of New York" before payments shall be made to the State's general fund. The statute goes on to indicate that "the director of the division of the budget shall limit the amounts subject to deposit in the general fund of the state of New York under this act to the amount necessary to compensate the state for any overpayments or other specific liabilities owed to the state as such…chief elected official may agree."[1] Thus far no 2005/2006 payments have been made due to the fact that the federal government has not approved the State's Medicaid plan. Negotiations between the federal government and State are ongoing. Regardless, this will have no net impact on the County's bottom line financial results though the Corporation's cash position could be affected.

[1] S.3671

THE 2006 BUDGET AND THE MULTI-YEAR FINANCIAL PLAN

Fiscal 2006 will usher in two major changes to the County's long-term financial structure: the shift to PAYGO financing of property tax refunds and the imposition by the State of New York of a cap on the growth in the local share of Medicaid costs.

Each of these changes will have a substantial impact on the County's financial condition. The shift to PAYGO for property tax refunds will require the use of $50 million in operating funds, though over the long-term, the PAYGO financing of property tax refunds will greatly reduce the County's debt burden and annual debt service payments. The imposition of a cap on the growth in the local share of Medicaid costs will provide considerable structural relief to the County relative to its baseline, though the impact of the Medicaid Cap will be felt most appreciably in the out-years of the Plan.

Both the shift to PAYGO financing of property tax refunds and the cap on the local share of Medicaid costs provide considerable – and obvious – long-term relief to the County. In the near term, however, the cost of paying property tax refunds from the operating budget more than absorbs the structural relief provided by the Medicaid Cap. The Plan addresses this near-term mismatch through the use of what the administration terms *PAYGO / Medicaid Cap Transitional Funds*. The Transitional Funds aggregate nearly $90 million in one-time resources the administration has identified without tapping the County's unreserved fund balance or the proceeds from the original tobacco securitization. The administration intends to use these Transitional Funds to ease the burden of the shift to PAYGO financing of property tax refunds, but do so in a way that connects to the substantial recurring benefit provided by the Medicaid Cap.

Pay-As-You-Go Financing of Property Tax Refunds

For the first time since the beginning of the assessment crisis, the County will allocate operating funds to make refund payments to residential and commercial taxpayers who successfully challenge their assessments. During 2006, the administration will utilize $50 million of Transitional Funds to make tax refund payments on a PAYGO basis. Pursuant to amendments to the NIFA Act, the County is limited to borrowing a relatively small amount of money on a transitional basis over the next two years to make refund payments - $15 million in 2006 and $10 million in 2007. In prior years, Nassau has issued over $1.8 billion in long-term debt to finance its refund payments.

To achieve this objective, the County has been implementing a series of strategies over the last three years designed to:

- Pay down accumulated refund liability to reasonable levels; and
- Reduce that new refund liability added by each successive tax roll

In 2004, the Assessment Review Commission ("ARC"), the County Attorney's Office, and the Office of the Treasurer worked together to process and pay $184 million in accumulated property tax refunds, the largest amount of refund payments by the County in a single fiscal year since. The refunds paid during 2004 reduced the County's estimated liability for unresolved property tax grievances by approximately $77 million, from about $387 million to $310 million. This represents the largest single-year net reduction in the County's accumulated refund liability. The administration and the Comptroller's Office have agreed that the County needs to reduce its accumulated refund liability to no more than $230 million by the close of the 2005 fiscal year in order to sustain a pay-as-you-go budget of $50 million for property tax refunds beginning in 2006. With the combination of strategies discussed below, the administration believes that it may reduce the 2005 year-end liability below the $230 million target.

To reach this level of accumulated liability by the end of the 2005 fiscal year, the County will execute a *Refund Without Settlement Strategy* ("RWS Strategy"). The RWS Strategy will be rolled out in September of 2005. The RWS Strategy will permit the County to maximize its utilization of funds borrowed through NIFA to reduce its accumulated refund liability by the end of the fiscal year. In the event that ARC has made offers of settlement that are not accepted, ARC will process non-reversible unilateral refund payments through the County Treasurer's Office to an escrow account, which will hold these payments on behalf of property owners and their legal representatives until they are claimed. The RWS Strategy is discussed in greater detail in a subsequent section of the Plan.

The administration has also focused attention on reducing the new refund liability that is added by each successive tax roll. The Department of Assessment conducts annual updates to the assessment roll in order to increase its accuracy. ARC makes sizeable administrative corrections to the tax roll before it is finalized, thereby avoiding potential refund payments necessitated by the County's guarantee. At the County's request, the Governor and the State Legislature also granted ARC a full year, not just a few weeks, to review all property tax grievances, providing more time to resolve these grievances before the tax roll is closed. Finally, the County will begin to benefit from the application of transitional assessments to commercial properties. Transitional assessments were introduced by the Governor and the State Legislature to mitigate the impact of property value growth on taxes paid by owners of commercial properties. Transitional assessments also help the County because the impact of any valuation errors is phased in over time, affording the Department of Assessment or ARC an opportunity to correct over-assessments before the County is exposed to the full refund liability.

Given the increasing accuracy of the tax roll, unilateral assessment corrections administered by ARC, the one-year administrative review period to resolve grievances prior to the finalization of the tax roll, the impact of transitional assessments on commercial refund liability, and the implementation of the RWS strategy by September of 2005, the administration is confident that the year-end refund liability target will be achieved, the liability added by future tax rolls will be manageable, and the $50 million PAYGO allocation for tax refunds can be sustained.

The Medicaid Cap

The Governor, the State Legislature, and representatives from counties across the State of New York, led by County Executive Suozzi, negotiated a cap on the growth in the local share of Medicaid expenses.

The Medicaid Cap base is measured by taking actual 2005 local share expenses and making the following adjustments:

Figure 2. The State's Formula for Calculating the Medicaid Cap

BEGIN WITH 2005 MEDICAID LOCAL SHARE EXPENSES….	
LESS: • CY 2005 Overburden Aid • CY 2005 Schedule E Payments / Recoveries • CY 2005 Prescription Drug Rebates • CY 2005 Audit Recoveries • CY 2005 Family Health Plus Costs	**PLUS**: • CY 2005 Offline Payments excluding Indigent Care Adj. • CY 2005 SMI Payments • CY 2005 Local Share of Medicaid Administrative Costs
EQUALS: 2005 MEDICAID CAP BASE	

The table below demonstrates how the County used this formula to establish the 2005 Medicaid Cap base for Medicaid expense calculations contained in the Adopted 2006 Budget and 2006-2009 MYP. The County's Medicaid expenses will be 3.5% more than the base in 2006, 6.75% more than the base in 2007, and 9.75% more than the base in 2008.

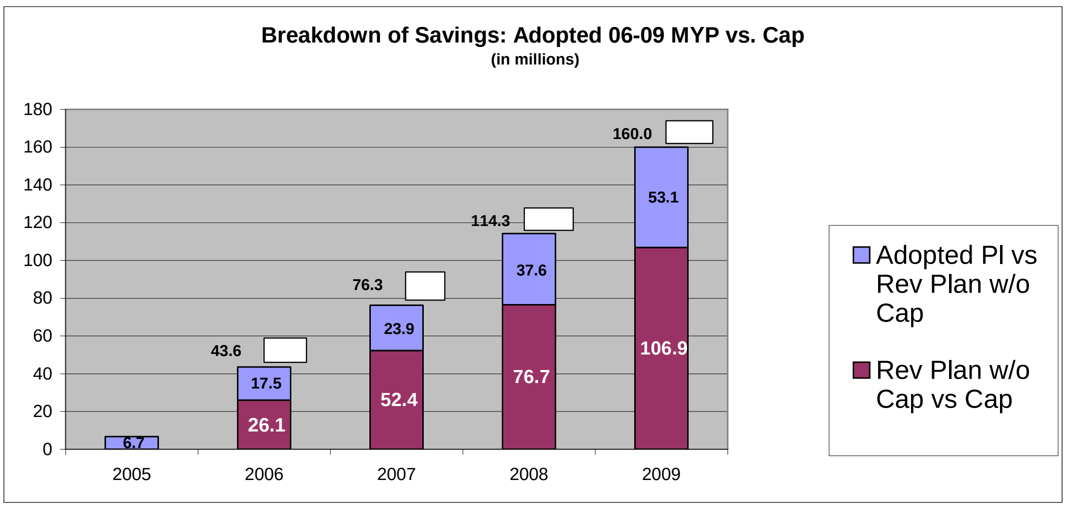
Figure 3. The Calculation of the Medicaid Cap in Nassau County

Calculation of Medicaid Cap using State formula:		
		Using Rev IGT
Estimated 05 Expenses:		242,309,139
LESS Revenues:		
Overburden Aid		46,677,060
Schedule E payments/recoveries		2,097,843
Prescription Drug Rebates		7,160,547
Audit Recoveries		1,371,773
2005 Family Health Plus		7,000,000
		178,001,916
PLUS		
Hospital IGT*		-
Nursing Home IGT est($40m statewide figure)		-
CY 2005 Offline Payments		15,924,017
CY 2005 SMI Payments		6,311,560
CY 2005 Local Share of Medicaid Admin Costs		7,114,530
Medicaid Cap Base		**207,352,022**
	Year	Cap expense
2005 Base + 3.50%	2006	214,609,343
2005 Base + 6.75%	2007	221,348,283
2005 Base + 9.75%	2008	227,568,844
2008 + 3.00%	2009	234,395,910

After 2008, the County can continue to pay an annual increase of 3% on its Medicaid base, or it can elect to swap with the State an equivalent amount of sales tax revenues. The County would choose the latter option only if it reached the conclusion that future sales tax revenues are likely to grow an average of less than 3% per year, which at this point appears to be a very remote possibility.

The impact of the Medicaid Cap on the County's budgetary baseline is considerable.

Figure 4. The Impact of Revised Medicaid Expense Projections and the Medicaid Cap on the 2006-2009 Multi-Year Financial Plan Baseline



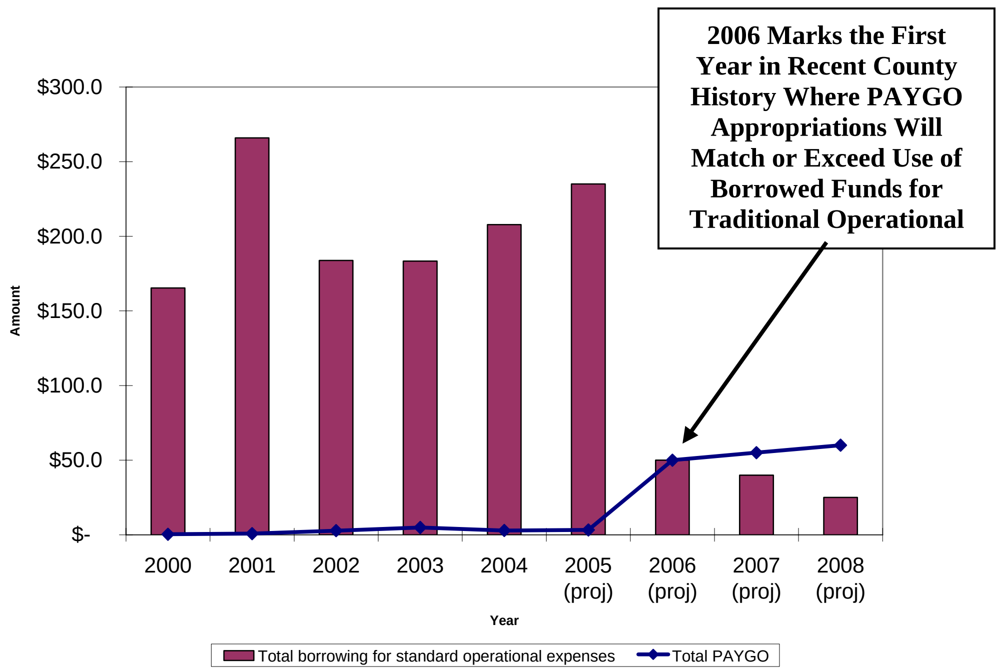
The figure above shows the combined impact of revisions to the County's Medicaid baseline which have resulted from two factors: lowered Medicaid expenditure estimates based on 2004 actual results and the effect of the Medicaid Cap. Revisions made by OMB to baseline Medicaid expenses, before the Medicaid Cap was passed into law by the Governor and the State Legislature, total $138.8 million from the current fiscal year through 2009, including $6.7 million in 2005, $17.5 million in 2006, $23.9 million in 2007, $37.6 million in 2008, and $53.1 million in 2009. Against the 2006-2009 baseline, the Medicaid Cap generates savings approximating $262.1 million over the Plan period, with $26.1 million in savings occurring in 2006, $52.4 million in 2007, $76.7 million in 2008, and $106.9 million by 2009.

It is important to note that after the budget was adopted, the State released its own estimate of the 2005 Medicaid cap base. Combining this estimate with a required $14 million Indigent Care Adjustment, the revised Medicaid projected expense for 2006 would be $224.8 million. Given that the County appropriated a $2.5 million reserve for this purpose, its unbudgeted exposure in 2006 could be as high as $7.7 million though the County believes it will be lower.

PAYGO / Medicaid Cap Transitional Funds

Making property tax refund payments from operating funds, as opposed to issuing long-term debt to finance these payments, is one of the last steps necessary for the full fiscal recovery of Nassau County. The impact of this dramatic shift in the financial structure of the County cannot be overstated, as the figure below illustrates.

Figure 5. Comparing Historical Trends in County Borrowing for Traditional Operational Costs vs. Projected Future PAYGO Expenses



	2000	2001	2002	2003	2004	2005 (proj)	2006 (proj)	2007 (proj)	2008 (proj)
Bond proceeds used to finance tax refunds	$ 86.3	$ 146.6	$ 97.6	$ 108.1	$ 185.1	$ 187.0	$ 15.0	$ 10.0	$ -
Bond proceeds used to finance judgments and settlements	36.6	28.9	27.9	34.5	35.0	35.0	35.0	30.0	25.0
NIFA debt restructuring	42.5	90.4	58.3	41.6	9.1	-	-	-	-
Total borrowing for operational expenses	**$ 165.4**	**$ 265.9**	**$ 183.8**	**$ 184.2**	**$ 229.2**	**$ 222.0**	**$ 50.0**	**$ 40.0**	**$ 25.0**
PAYGO tax refunds	$ -	$ -	$ -	$ -	$ -	$ -	$ 50.0	$ 50.0	$ 50.0
PAYGO judgments and settlements	0.4	0.8	2.8	4.9	5.0	3.3	-	5.0	10.0
Total PAYGO	**$ 0.4**	**$ 0.8**	**$ 2.8**	**$ 4.9**	**$ 5.0**	**$ 3.3**	**$ 50.0**	**$ 55.0**	**$ 60.0**

The Medicaid Cap provides considerable structural relief to Nassau County. But the full impact of the Medicaid Cap is felt, not immediately, but instead in the out-years of the Plan.

The key, then, is to identify a responsible means by which to shift to the PAYGO financing of tax refunds beginning in 2006, but do so in a way that does no harm to the normal operations of the County, is least burdensome to Nassau's taxpayers, and takes maximum advantage of the substantial recurring benefit, particularly in the out-years, furnished by the cap on the growth in local Medicaid expenses.

Table 1. PAYGO / Medicaid Cap Transitional Funds
Sources and Uses of Applicable Surplus Revenues and Expense Relief

Sources	Amount	Year(s) Recognized	Notes
840 Account a/o 12/31/04	$ 24.9	2005	CPF account used to accumulate revenues to pay debt service or retire debt
Anticipated Future Deposits to 840 Account / General Operating Surplus	22.4	2005-2008	Estimate based on historical trends
SSWRD Backcharge	15.1	2005	Recover 2003 storm water expenses per SSWFA legislation
Net Impact on Accrued Liabilities of State Takeover of Medicaid Local Shares	13.5	2005	Per spreadsheet prepared by NYSDOB, net impact confirmed by County
Reserve for Retirement of Bonded Indebtedness	14.1	2004	Balance in reserve after 2006 planned usage
Total Sources	**$ 90.0**		

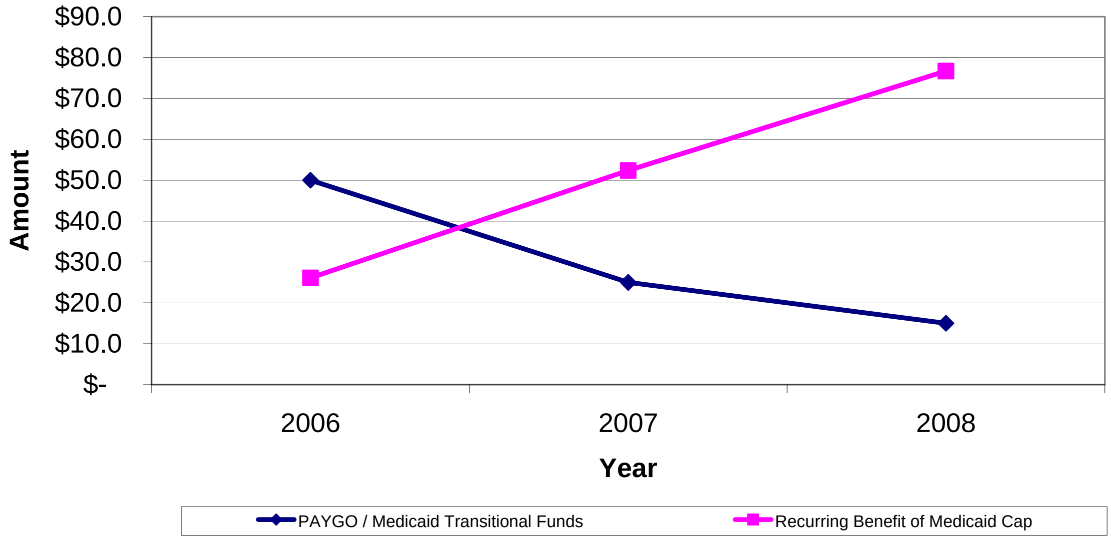
Uses	Amount	Year(s) Benefiting	Notes
Mitigate the Impact of Transitioning to PAYGO Financing of Tax Refunds	90.0	2006-2008	Use of one-time funds or expenditure relief over three years to offset County debt service payments or retire debt
Total Uses	**$ 90.0**		

The preceding table identifies $90 million in one-time revenues and expense relief which collectively constitute the Transitional Funds. Most of these items have already been discussed, such as the 840 account deposits in the Capital Projects Fund, the recovery of 2003 storm water expenses from the Sewer and Storm Water Resources District, the net impact on 2005 accruals of the State takeover of Medicaid local share expenses, and the remaining resources in the Reserve for the Retirement of Bonded Indebtedness.

The administration will use these resources on a declining basis over the next three years to mitigate the impact of absorbing the cost of property tax refunds in the operating budget. The Plan projects that $50 million in Transitional Funds will be utilized in 2006, $25 million in 2007, and $15 million in 2008.

The figure below demonstrates the interplay between the sliding-scale benefit of the Transitional Funds and the mounting structural relief provided by the Medicaid Cap.

Figure 6. The Benefit of the Transitional Funds Compared with the Savings Generated by the Medicaid Cap



Gap Closing Measures (2006 Budget)

The 2005 – 2008 Multi-Year Financial Plan Update identified a baseline gap of approximately $148 million for 2006. A combination of baseline changes as well as County initiatives contributed to the administration's ability to proposed a balanced 2006 budget (a summary of these major changes is included in Appendix B).

The most significant of these are:

- The use of $50 million in PAYGO/Medicaid Cap Transitional Funds
- The draw down of $29.2 million from the Pension reserve
- The utilization of the Bonded Indebtedness Reserve Fund ($10.9 million)
- The recognition of the Medicare part D pharmaceutical subsidy being provided by the federal government ($10.4 million)
- The achievement of more than $10 million of savings from smart government initiatives
- Improved 2005 sales tax projections ($10 million)
- Debt service savings ($7.4 million)
- Additional State reimbursement for indirect costs ($7.0 million)
- The incorporation of labor concessions attributable to the contract agreement recently reached between the Administration and the Sheriff Officers Association ($5.7 million)
- The 2005 prepayment of approximately $5 million in one-time expenses
- Reduced health insurance growth rates ($4.6 million)
- Additional impacts of the Medicaid cap ($2.6 million)

Gap Closing Measures (2007 – 2009)

In the absence of any gap closing measures, the County's projected out-year deficits are $176.5 million in 2007, $231.8 million in 2008, and $274.8 million in 2009. These projected deficits, before the implementation of any cost-cutting or revenue-raising initiatives, represent a significant reduction from the estimates included in the 2005-2008 Multi-Year Financial Plan adopted last November, and even from the Update to the 2005-2008 Multi-Year Financial Plan.

Table 2. A Comparison of Estimated Budget Deficits Prior to Implementation of Gap Closing Measures

Year	Adopted 2005-2008 MYP	Update to 2005-2008 MYP	Adopted 2006-2009 MYP
2006	($204.5)	($148.6)	-
2007	($307.8)	($231.6)	($176.5)
2008	($395.2)	($302.0)	($231.8)
2009	n/a	n/a	($274.8)

The positive adjustments to the County's projected structural shortfalls, prior to any deficit-reduction initiatives, can be attributed primarily to changes to the Medicaid growth baseline, the impact of the Medicaid Cap, and the recurring benefits of the 2006 budget. A summary of the baseline expense and revenue inflators is included in Appendix A.

The gap closing measures employed in the MYP are summarized in the table below.

Table 4. The Gap Closing Measures in the 2006-2009 Multi-Year Financial Plan

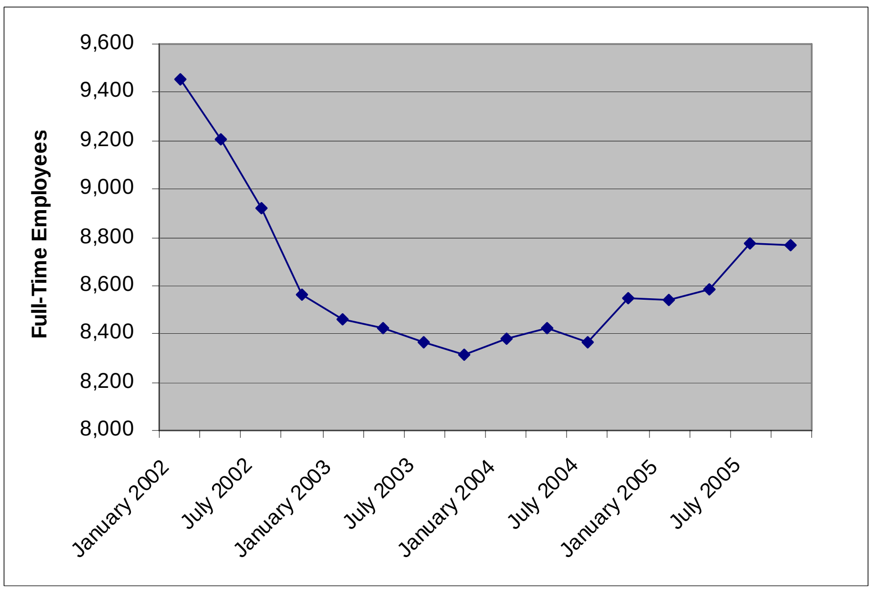
	2007	2008	2009
Estimated Baseline Gap	**(176.5)**	**(231.8)**	**(274.8)**
Gap Closing Measures			
Workforce management	25.4	38.7	51.4
Smart government initiatives	23.2	37.4	40.7
Labor concessions	25.8	50.3	52.7
Pension reserve	14.9	-	-
Pre-fund debt service obligation	10.0	-	-
Capture value of new construction	13.3	16.6	20.7
PAYGO / Medicaid cap transitional funds	25.0	15.0	-
Sales tax growth in line with historic averages	15.0	25.0	33.0
2007 CPI increase in total property tax levy (3.9%)	28.9	28.9	28.9
2008 CPI increase in total property tax levy (3.9%)	-	30.0	30.0
2009 CPI Increase in total property tax levy (3.9%)	-	-	31.1
PAYGO judgments and settlements	(5.0)	(10.1)	(13.7)
Subtotal Gap Closing Measures	**176.5**	**231.8**	**274.8**
Total Surplus / (Deficit) After Gap Closing Measures	**-**	**-**	**-**

In addition to the *PAYGO / Medicaid Cap Transitional Funds*, the gap closing plan relies upon many familiar initiatives, including vigilant workforce management, continued smart government initiatives, and further concessions from the County's labor unions.

Workforce Management

A fiscally sound Nassau County requires a streamlined and productive workforce. Regardless of the outcome of any other element of the Plan – smart government initiatives, labor concessions, debt restructuring, revenue increases – workforce management is a necessary element of the County's recovery. The Administration is committed to achieving savings by exerting control on total staffing levels and will adhere to strict backfilling limits. Figure 7 demonstrates the progress the County has made in reducing the size of its workforce since 2002.

Figure 7: Full-Time Workforce (January 2002 to September 2005)



It is important to note that the County has reduced total full-time staffing by 708 positions, even after hiring three sets of police cadets over the last 15 months. The County's decision to graduate more than 300 officers from the Police Academy demonstrates the County Executive's commitment to maintaining Nassau's ranking as the safest county of its size in the nation. Table 5 summarizes full-time staffing by department as of September 29th, 2005.

Table 5: Total County Full-Time Staffing (Major Operating Funds)

Vertical	Department	On-Board 1/1/2002	FY2005 Budget	On-Board 1/1/2005	On-Board 9/29/2005	Budget Variance	Change from 1/1/2005	Change from 1/1/2002
Public Safety	Consumer Affairs	30	44	34	39	(5)	5	9
	Correctional Center/Sheriff	1,278	1,240	1,191	1,226	(14)	35	(52)
	Emergency Management	0	7	5	5	(2)	0	5
	Fire Commission	121	113	114	113	0	(1)	(8)
	Medical Examiner	51	50	47	53	3	6	2
	Police District	1,807	1,697	1,677	1,745	48	68	(62)
	Police Headquarters	1,728	1,780	1,581	1,645	(135)	64	(83)
	Probation	286	244	228	234	(10)	6	(52)
	Public Administrator	7	7	7	8	1	1	1
	Traffic and Parking Violations Agency	33	35	34	35	0	1	2
	Sub-Total	**5,341**	**5,217**	**4,918**	**5,103**	**(114)**	**185**	**(238)**
Health & Human Services	Drug & Alcohol Addiction	42	90	88	85	(5)	(3)	43
	Health	289	241	237	232	(9)	(5)	(57)
	Mental Health	20	20	19	16	(4)	(3)	(4)
	Physically Challenged	6	6	6	7	1	1	1
	Senior Citizens Affairs	39	35	34	36	1	2	(3)
	Social Services	975	852	854	836	(16)	(18)	(139)
	Veterans Services	8	9	8	9	0	1	1
	Youth Board	8	7	7	7	0	0	(1)
	Sub-Total	**1,387**	**1,260**	**1,253**	**1,228**	**(32)**	**(25)**	**(159)**
Parks, Public Works & Partnerships	Recreation, Parks and Museums	337	263	213	254	(9)	41	(83)
	Public Works	678	567	566	520	(47)	(46)	(158)
	Sub-Total	**1,015**	**830**	**779**	**774**	**(56)**	**(5)**	**(241)**
Shared Services	Board of Elections	107	106	106	108	2	2	1
	Civil Service	67	61	62	58	(3)	(4)	(9)
	Investigations	10	4	4	4	0	0	(6)
	CF - Constituent Affairs	14	19	18	17	(2)	(1)	3
	CF - Printing, Mail & Graphics	37	39	38	40	1	2	3
	County Attorney	131	150	157	159	9	2	28
	Human Resources	0	11	11	12	1	1	12
	Labor Relations	1	4	4	6	2	2	5
	Information Technology	119	104	92	96	(8)	4	(23)
	Real Estate Services	11	12	13	12	0	(1)	1
	Records Management	19	10	9	9	(1)	0	(10)
	Traffic Safety Board	3	3	3	2	(1)	(1)	(1)
	Sub-Total	**519**	**523**	**517**	**523**	**0**	**6**	**4**
Budget and Finance	Assessment Review Commission	9	37	28	36	(1)	8	27
	Office of Management and Budget	12	35	40	42	7	2	30
	Purchasing	28	23	23	21	(2)	(2)	(7)
	Treasurer	58	45	45	44	(1)	(1)	(14)
	Sub-Total	**107**	**140**	**136**	**143**	**3**	**7**	**36**
Economic Development	Coord. Agency for Spanish Americans	5	7	6	6	(1)	0	1
	Housing & Intergovernmental Affairs	3	11	9	12	1	3	9
	Human Rights Commission	12	10	10	10	0	0	(2)
	Minority Affairs	4	11	9	10	(1)	1	6
	Planning	13	21	19	19	(2)	0	6
	Sub-Total	**37**	**60**	**53**	**57**	**(3)**	**4**	**20**
Elected Officials	Assessment	121	228	172	206	(22)	34	85
	County Comptroller	80	90	84	91	1	7	11
	District Attorney	363	352	339	354	2	15	(9)
	County Executive	8	34	40	42	8	2	34
	County Clerk	92	102	91	100	(2)	9	8
	Legislature	89	97	83	87	(10)	4	(2)
	Sub-Total	**753**	**903**	**809**	**880**	**(23)**	**71**	**127**
	Sub-Total Full-Time Employees	**9,159**	**8,933**	**8,465**	**8,708**	**(225)**	**243**	**(451)**
HHS	Contract Employees	316	79	79	59	(20)	(20)	(257)
	Subtotal FT and Contract Employees	**9,475**	**9,012**	**8,544**	**8,767**	**(245)**	**223**	**(708)**

The Fiscal 2006-2009 Multi-Year Financial Plan assumes that the County will continue to generate expense savings by carefully managing the size of its workforce and limiting hiring to only critical needs. The model calculates savings due to anticipated workforce reduction and turnover savings versus the headcount levels assumed in the 2006 Budget.

In particular, the model assumes a steady headcount of sworn police personnel and correctional officers and as such assumes 100 percent backfilling within these collective bargaining units. For the CSEA, the Plan assumes that the County will backfill one of every three positions that become vacant through 2009.

Table 6 summarizes the financial impacts of workforce reduction and turnover savings on the baseline.

Table 6: Projected Workforce Management Savings

Category	Fiscal 2006	Fiscal 2007	Fiscal 2008
Salaries and Wages	($23.4)	($36.3)	($48.2)
Fringe Benefits	($2.0)	($2.4)	($3.2)
Total Change	**($25.4)**	**($38.7)**	**($51.4)**

Smart Government Initiatives

Since coming to office in January 2002, the Suozzi Administration has placed a strong emphasis on cleaning up the mismanagement of the past. Part of this effort has been the identification of government waste and the development of new and improved ways of doing business – ways that enhance efficiency, reduce spending or generate non-tax revenue.

The 2006-2009 Multi-Year Financial Plan assumes that the County will achieve $23.2 million worth of initiatives in Fiscal 2007, $37.4 million in Fiscal 2008 and $40.7 million in Fiscal 2009. Among the new Initiatives since the Fiscal 2005-08 Multi Year Plan Update are:

- the Persons In Need of Supervision Initiative, the goal of which is to direct youths away from costly institutional care into more effective and less costly alternatives.
- the Nassau Coliseum Redevelopment project, which will increase lease revenue based on the disposition of the site.
- the Grants Fund Reimbursement Initiative, which will capture the value of un-reimbursed indirect and fringe costs.
- increased federal inmate aid due to a greater number of Federal inmates starting in 2007.

Table 7: Summary of Multi-Year Financial Plan Smart Government Initiatives

Vertical	Lead Dept	Initiative Name	2006	2007	2008	2009
Public Safety	Correctional Center	Increased Federal Inmate Aid	$0	$1,500,000	$1,500,000	$1,500,000
	Police	Police Overtime Reductions	$0	$2,000,000	$2,000,000	$2,000,000
	TPVA	Ticket Processing Surcharge	$0	$1,500,000	$1,500,000	$1,500,000
Health & Human Services	HHS Departments	HHS Administrative Consolidation	$0	$1,778,544	$3,278,544	$3,278,544
	HHS Departments	Program Reductions	$0	$1,000,000	$1,000,000	$1,000,000
	Social Services	Persons in Need of Supervision (PINS)	$0	$1,006,873	$1,057,217	$1,110,077
	Social Services	Medicaid Cost Containment	$0	$2,600,000	$2,600,000	$2,600,000
Parks, Public Works & Partnerships	Vertical Public Works	Advertising Revenue	$0	$325,000	$575,000	$825,000
	Parks , Rec. & Museums	Parks Revenue Enhancement	$0	$2,000,000	$3,000,000	$4,000,000
Shared Services	Human Resources	Automated Time and Leave System	$0	$850,000	$1,700,000	$1,700,000
	County Executive	Nassau Coliseum Redevelopment	$0	$1,500,000	$1,500,000	$1,500,000
Budget & Finance	ARC	Absentee Landlord Surcharge	$0	$0	$5,733,693	$5,733,693
	County Attorney	Commercial Tax Grievance Filing Fee	$0	$0	$3,375,000	$3,375,000
	OMB	Contractual Services Review	$0	$1,000,000	$1,000,000	$1,000,000
	OMB	Fee Increases	$0	$2,100,000	$3,600,000	$5,600,000
	OMB	Grant Fund Reimbursements	$0	$2,000,000	$2,000,000	$2,000,000
	OMB	State Reimbursement for Police Training	$0	$1,500,000	$1,500,000	$1,500,000
	ARC	Tax Certiorari Settlement Reform	$0	$500,000	$500,000	$500,000
TOTAL			**$0**	**$23,160,417**	**$37,419,454**	**$40,722,314**

Labor Concessions

In order to close the County's structural deficit, the Multi-Year Financial Plan requires that the County secure labor contracts that break the pattern of costly leapfrogging that characterized the prior Administration. Since 2002, the Administration has achieved financial plan savings from each of its collective bargaining units. The 2006 Budget incorporates anticipated savings from the Sheriffs Officers Association (ShOA) even though an agreement between the Administration and ShOA was subsequently rejected by the County Legislature. Negotiations on an alternative contract are ongoing.

The Multi Year Financial Plan recognizes that continued labor concessions will be necessary to close outyear baseline gaps. Beginning in 2007, the targets assume $25.8 million in savings from the Police Benevolent Association (PBA) and the Detectives Associations Inc. (DAI). Beginning in 2008, an additional $23.4 million in savings are assumed from the Superior Officers Association (SOA) and the Civil Service Employees Association (CSEA). The County is hoping to generate $13.2 million of these savings, beginning in 2008, by negotiating the transfer of County employees from Core Plus to Core health insurance coverage.

Pension Reserve

The County will draw down on the monies remaining in its Pension Contribution Reserve Fund in 2007 to mitigate the rapid growth in pension payment obligations caused by successive years of poor stock market performance. To the extent that future operating surplus is available, it is possible that the administration will replenish to some degree its Pension Contribution Reserve Fund. However, the Plan does not rely on this possibility to close out-year budget gaps.

Use of Operating Surplus to Pre-Fund Debt Service Payments

As in the past, the County will direct some portion of its operating surplus to making future debt service payments. Specifically, the Plan anticipates using $10 million of positive operating surplus for this purpose in 2007. The Plan does not rely on the pre-funding of debt service obligations beyond 2007.

Capturing the Value of New Construction

The Plan proposes adjusting the base levy in the County's operating budget to capture the value of new construction that has occurred in Nassau County since 2002. This is important, because a key component of County Executive Suozzi's vision for "New Suburbia" is to encourage targeted economic development in order to increase assessed valuation and generate renewed economic activity in Nassau County. Without such growth, the County's revenues will not grow enough to support increases in the cost of – and demand for – governmental services.

Sales Tax Growth in Line with Historic Averages

The Plan includes as a potential gap closing measure the possibility that sales tax revenue collections will once again approach historical averages. The alternative sales tax scenario included as a gap closing item assumes that sales tax revenue growth will grow 4% in each year of the Plan, even though the 2006 budget does not require that level of growth in 2006.

CPI Property Tax Increase

As introduced in previous versions of the Multi-Year Financial Plan, the County will need to augment its property taxes in order to offset the growth in recurring expenses. With the Medicaid Cap, and with the use of Transitional Funds, the County will be able to manage the growth in its recurring expenses with a CPI-related increase of 3.9% in the property tax levy.

Gradual PAYGO Transition for Judgments and Settlements

Finally, the administration is using the Plan to reinforce its commitment to the gradual inclusion of increasing funds to pay for ordinary judgments and settlements from the operating budget. As with property tax refunds, judgments and settlements ought to be financed with operating funds, not through the issuance of long-term debt. To make this transition both reasonable and achievable, particularly in the wake of the shift to PAYGO financing of property tax refunds, the administration proposes increasing the appropriation in the operating budget for judgments and settlements of $5 million in 2007, $10.1 million in 2008, and $13.7 million in 2009.

CONCLUSION

Building off of a strong performance in 2004 and 2005, and relying on the landmark Medicaid Cap legislation, the 2006-2009 Multi-Year Financial Plan lays the foundation for shifting to the PAYGO financing of property tax refunds, a fundamental transformation of the County's underlying financial structure. The Plan carves a way for the County to make this transition while *delivering for the third consecutive year a no tax increase budget*.

The County will accomplish this transformation by using its *PAYGO / Medicaid Cap Transitional Funds*, approximately $90 million of identified one-time resources and expense relief, to smooth the initial burden of the PAYGO allocation as the recurring structural benefit of the Medicaid Cap grows appreciably in the out-years of the Plan.

With 11 credit rating increases since February of 2003, increased fund balance and reserve levels, the stabilization of the Nassau Health Care Corporation, and the transition to the use of operating funds to make property tax refund payments, the County has cleared the last remaining hurdle standing in the way of its full financial recovery. The fiscal crisis is indeed over.

DEPARTMENTAL DETAIL

MAJOR FUNDS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	832,757,095	871,495,708	902,901,619	940,300,768
	AB - FRINGE BENEFITS	369,172,963	420,018,526	441,701,231	465,291,511
	BB - EQUIPMENT	4,552,619	7,343,277	7,941,318	8,394,959
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	33,464,161	34,089,872	34,666,283	35,215,446
	DE - CONTRACTUAL SERVICES	130,870,231	122,116,109	123,580,060	125,062,311
	DF - UTILITY COSTS	33,247,598	36,371,733	38,800,749	41,148,570
	FF - INTEREST	27,788,164	24,282,038	19,663,647	15,426,040
	GA - LOCAL GOVT ASST PROGRAM	59,736,041	61,615,594	63,555,293	65,557,063
	GG - PRINCIPAL	115,124,221	111,202,457	105,598,133	108,284,272
	HC - NHC ASSN EXP - NASSAU HEALTH CARE ASSN	13,000,000	13,000,000	13,000,000	13,000,000
	HD - DEBT SERVICE CHARGEBACKS	275,101,349	307,257,642	312,449,662	311,930,054
	HF - INTER-DEPARTMENTAL CHARGES	108,142,055	108,142,055	108,142,055	108,142,055
	HH - INTERFD CHGS - INTERFUND CHARGES	175,000	175,000	175,000	175,000
	JA - CONTINGENCIES RESERVE	-	-	-	-
	JC - FEDERAL DISALLOWANCES RESERVE	-	-	-	-
	JM - CONTINGENCY FOR FUTURE EXPENSES	-	-	-	-
	LB - TRANS TO GENERAL FUND	-	-	-	-
	LO - TRANS TO CPF FUND	5,000,000	-	-	-
	LU - TRANS TO DEBT SERVICE FUND	-	-	-	-
	MM - MASS TRANSPORTATION	45,981,120	46,757,783	47,559,688	48,387,654
	NA - NCIFA EXPENDITURES	1,450,000	1,540,000	1,100,000	700,000
	OO - OTHER	187,442,634	261,682,360	277,296,479	278,919,190
	PP - EARLY INTERVENTION/SPECIAL EDUCATION	144,086,100	148,840,941	153,752,692	158,826,531
	SS - RECIPIENT GRANTS	51,652,600	54,235,230	56,946,992	59,794,341
	TT - PURCHASED SERVICES	46,012,951	48,037,521	50,151,172	52,357,823
	WW - EMERGENCY VENDOR PAYMENTS	53,060,200	55,394,849	57,832,222	60,376,840
	XX - MEDICAID	214,609,343	221,348,284	227,568,845	234,395,910
	XY - MEDICAID - IGT	39,573,706	39,573,706	39,573,706	39,573,706
Expense Total		**2,792,000,151**	**2,994,520,685**	**3,083,956,845**	**3,171,260,044**
Revenue					
	AA - FUND BALANCE	13,367,000	-	-	-
	BA - INT PENALTY ON TAX	24,000,000	24,500,000	24,500,000	24,500,000
	BC - PERMITS & LICENSES	12,465,580	12,465,580	12,465,580	12,465,580
	BD - FINES & FORFEITS	22,683,552	23,137,223	23,599,968	24,071,967
	BE - INVEST INCOME	14,003,476	14,563,615	15,146,160	15,752,006
	BF - RENTS & RECOVERIES	53,951,765	41,088,227	26,739,550	26,997,563
	BG - REVENUE OFFSET TO EXPENSE	14,207,343	14,207,343	14,207,343	14,207,343
	BH - DEPT REVENUES	81,802,168	81,552,168	81,052,168	80,552,168
	BI - CAP BACKCHARGES	6,881,313	7,142,803	7,414,229	7,695,970
	BJ - INTERDEPT REVENUES	108,142,056	108,142,056	108,142,056	108,142,056
	BK - SERVICE FEES	-	-	-	-
	BO - PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	4,500,000	4,500,000	4,500,000	4,500,000
	BS - OTB PROFITS	5,655,000	5,068,000	5,135,000	4,752,000
	BV - DEBT SERVICE-CHARGEBACK REVENUE	275,101,348	307,257,642	312,449,663	311,930,054
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	48,329,785	38,916,993	39,747,500	40,928,885
	BX - MEDICAID IGT REIMBURSEMENTS	39,573,706	39,573,706	39,573,706	39,573,706
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	115,116,951	118,807,729	123,232,912	127,850,580
	IF - INTERFD TSFS - INTERFUND TRANSFERS	5,000,000	-	-	-
	NA - NIFA AID	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	171,228,916	175,054,872	179,125,619	183,311,341
	TA - SALES TAX CO - SALES TAX COUNTYWIDE	936,369,365	966,333,185	997,255,847	1,029,168,034
	TB - PART COUNTY - SALES TAX PART COUNTY	65,421,278	61,327,744	63,290,232	65,315,520
	TL - PROPERTY TAX	738,711,054	738,711,054	738,711,054	738,711,054
	TO - OTB 5% TAX	6,500,000	6,500,000	6,500,000	6,500,000
	TX - SPECIAL TAXS - SPECIAL TAXES	28,988,495	29,169,745	29,355,526	29,545,952
Revenue Total		**2,792,000,151**	**2,818,019,685**	**2,852,144,113**	**2,896,471,778**
Budget Surplus (Deficit)		**-**	**(176,501,000)**	**(231,812,733)**	**(274,788,266)**

GENERAL FUND

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	380,090,331	398,541,096	410,351,408	426,918,897
	AB - FRINGE BENEFITS	192,277,794	214,534,918	226,584,818	239,479,463
	BB - EQUIPMENT	2,123,136	2,149,675	2,176,546	2,203,753
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	24,526,516	24,907,869	25,311,144	25,726,815
	DE - CONTRACTUAL SERVICES	109,945,006	106,244,944	107,510,505	108,791,887
	DF - UTILITY COSTS	29,541,753	32,471,895	34,798,718	37,066,498
	FF - INTEREST	-	-	-	-
	GA - LOCAL GOVT ASST PROGRAM	59,736,041	61,615,594	63,555,293	65,557,063
	GG - PRINCIPAL	-	-	-	-
	HC - NHC ASSN EXP - NASSAU HEALTH CARE ASSN	13,000,000	13,000,000	13,000,000	13,000,000
	HD - DEBT SERVICE CHARGEBACKS	252,717,246	286,787,788	293,515,110	294,571,525
	HF - INTER-DEPARTMENTAL CHARGES	44,239,727	44,239,727	44,239,727	44,239,727
	HH - INTERFD CHGS - INTERFUND CHARGES	175,000	175,000	175,000	175,000
	JA - CONTINGENCIES RESERVE	-	-	-	-
	JC - FEDERAL DISALLOWANCES RESERVE	-	-	-	-
	JM - CONTINGENCY FOR FUTURE EXPENSES	-	-	-	-
	LO - TRANS TO CPF FUND	5,000,000	-	-	-
	LU - TRANS TO DEBT SERVICE FUND	-	-	-	-
	MM - MASS TRANSPORTATION	45,981,120	46,757,783	47,559,688	48,387,654
	NA - NCIFA EXPENDITURES	1,450,000	1,540,000	1,100,000	700,000
	OO - OTHER	38,066,481	83,484,241	84,035,616	84,603,826
	PP - EARLY INTERVENTION/SPECIAL EDUCATION	144,086,100	148,840,941	153,752,692	158,826,531
	SS - RECIPIENT GRANTS	51,652,600	54,235,230	56,946,992	59,794,341
	TT - PURCHASED SERVICES	46,012,951	48,037,521	50,151,172	52,357,823
	WW - EMERGENCY VENDOR PAYMENTS	53,060,200	55,394,849	57,832,222	60,376,840
	XX - MEDICAID	214,609,343	221,348,284	227,568,845	234,395,910
	XY - MEDICAID - IGT	39,573,706	39,573,706	39,573,706	39,573,706
Expense Total		**1,747,865,051**	**1,883,881,062**	**1,939,739,202**	**1,996,747,258**
Revenue					
	AA - FUND BALANCE	13,367,000	-	-	-
	BA - INT PENALTY ON TAX	24,000,000	24,500,000	24,500,000	24,500,000
	BC - PERMITS & LICENSES	9,985,580	9,985,580	9,985,580	9,985,580
	BD - FINES & FORFEITS	22,583,552	23,035,223	23,495,928	23,965,846
	BE - INVEST INCOME	13,474,240	14,013,210	14,573,738	15,156,688
	BF - RENTS & RECOVERIES	52,185,465	39,321,927	24,973,250	25,231,263
	BG - REVENUE OFFSET TO EXPENSE	10,108,143	10,108,143	10,108,143	10,108,143
	BH - DEPT REVENUES	42,413,194	42,163,194	41,663,194	41,163,194
	BI - CAP BACKCHARGES	6,881,313	7,142,803	7,414,229	7,695,970
	BJ - INTERDEPT REVENUES	93,121,386	93,121,386	93,121,386	93,121,386
	BK - SERVICE FEES	-	-	-	-
	BO - PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	4,500,000	4,500,000	4,500,000	4,500,000
	BS - OTB PROFITS	5,655,000	5,068,000	5,135,000	4,752,000
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	31,842,594	33,192,021	34,374,518	35,533,262
	BX - MEDICAID IGT REIMBURSEMENTS	39,573,706	39,573,706	39,573,706	39,573,706
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	114,786,951	118,477,729	122,902,912	127,520,580
	IF - INTERFD TSFS - INTERFUND TRANSFERS	-	-	-	-
	NA - NIFA AID	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	170,519,916	174,345,872	178,416,619	182,602,341
	TA - SALES TAX CO - SALES TAX COUNTYWIDE	936,369,365	966,333,185	997,255,847	1,029,168,034
	TB - PART COUNTY - SALES TAX PART COUNTY	65,421,278	61,327,744	63,290,232	65,315,520
	TL - PROPERTY TAX	80,016,368	80,016,368	80,016,368	80,016,368
	TO - OTB 5% TAX	6,500,000	6,500,000	6,500,000	6,500,000
	TX - SPECIAL TAXS - SPECIAL TAXES	4,560,000	4,560,000	4,560,000	4,560,000
Revenue Total		**1,747,865,051**	**1,757,286,091**	**1,786,360,650**	**1,830,969,880**

POLICE DISTRICT FUND

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	223,671,506	235,048,266	245,362,310	256,526,499
	AB - FRINGE BENEFITS	85,784,188	98,163,494	103,544,017	109,369,621
	BB - EQUIPMENT	1,386,280	3,124,859	3,467,669	3,764,140
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	3,678,802	3,814,900	3,902,235	3,962,259
	DE - CONTRACTUAL SERVICES	806,563	816,645	826,853	837,189
	DF - UTILITY COSTS	1,605,845	1,694,837	1,741,906	1,776,744
	HD - DEBT SERVICE CHARGEBACKS	745,754	205,777	127,395	136,726
	HF - INTER-DEPARTMENTAL CHARGES	23,110,686	23,110,686	23,110,686	23,110,686
	OO - OTHER	450,000	450,000	450,000	450,000
Expense Total		**341,239,624**	**366,429,464**	**382,533,071**	**399,933,864**
Revenue					
	AA - FUND BALANCE	-	-	-	-
	BC - PERMITS & LICENSES	1,680,000	1,680,000	1,680,000	1,680,000
	BD - FINES & FORFEITS	100,000	102,000	104,040	106,121
	BE - INVEST INCOME	112,754	117,264	121,955	126,833
	BF - RENTS & RECOVERIES	150,000	150,000	150,000	150,000
	BG - REVENUE OFFSET TO EXPENSE	1,468,160	1,468,160	1,468,160	1,468,160
	BH - DEPT REVENUES	3,165,800	3,165,800	3,165,800	3,165,800
	BJ - INTERDEPT REVENUES	935,835	935,835	935,835	935,835
	NA - NIFA AID	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	-	-	-	-
	TL - PROPERTY TAX	333,627,075	333,627,075	333,627,075	333,627,075
Revenue Total		**341,239,624**	**341,246,134**	**341,252,865**	**341,259,824**

POLICE HEADQUARTERS FUND

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	200,140,238	207,984,580	216,158,853	224,676,965
	AB - FRINGE BENEFITS	77,680,690	92,860,633	96,392,219	100,490,675
	BB - EQUIPMENT	535,256	1,554,447	1,776,377	1,899,832
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	3,013,500	3,093,694	3,151,076	3,195,771
	DE - CONTRACTUAL SERVICES	7,010,987	6,845,499	6,931,068	7,017,706
	DF - UTILITY COSTS	2,100,000	2,205,000	2,260,125	2,305,328
	HD - DEBT SERVICE CHARGEBACKS	3,134,003	2,748,049	2,669,805	2,672,568
	HF - INTER-DEPARTMENTAL CHARGES	20,607,886	20,607,886	20,607,886	20,607,886
	LB - TRANS TO GENERAL FUND	-	-	-	-
	OO - OTHER	250,000	250,000	250,000	250,000
Expense Total		**314,472,560**	**338,149,788**	**350,197,410**	**363,116,731**
Revenue					
	AA - FUND BALANCE	-	-	-	-
	BC - PERMITS & LICENSES	800,000	800,000	800,000	800,000
	BD - FINES & FORFEITS	-	-	-	-
	BE - INVEST INCOME	121,053	125,895	130,931	136,168
	BF - RENTS & RECOVERIES	200,000	200,000	200,000	200,000
	BG - REVENUE OFFSET TO EXPENSE	2,072,960	2,072,960	2,072,960	2,072,960
	BH - DEPT REVENUES	14,879,000	14,879,000	14,879,000	14,879,000
	BJ - INTERDEPT REVENUES	13,977,076	13,977,076	13,977,076	13,977,076
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	330,000	330,000	330,000	330,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	589,000	589,000	589,000	589,000
	TL - PROPERTY TAX	258,049,976	258,049,976	258,049,976	258,049,976
	TX - SPECIAL TAXS - SPECIAL TAXES	23,453,495	23,634,745	23,820,526	24,010,952
Revenue Total		**314,472,560**	**314,658,652**	**314,849,469**	**315,045,132**

PARKS, RECREATION & MUSEUM FUND

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	19,442,234	20,164,592	20,914,399	21,692,699
	AB - FRINGE BENEFITS	10,263,153	10,892,066	11,431,295	12,007,455
	BB - EQUIPMENT	367,000	371,588	376,232	380,935
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	1,851,300	1,874,441	1,897,872	1,921,595
	DE - CONTRACTUAL SERVICES	8,870,000	3,918,375	3,967,355	4,016,947
	HD - DEBT SERVICE CHARGEBACKS	17,736,093	16,807,097	15,618,352	14,025,516
	HF - INTER-DEPARTMENTAL CHARGES	17,897,683	17,897,683	17,897,683	17,897,683
Expense Total		**76,427,463**	**71,925,842**	**72,103,187**	**71,942,830**
Revenue					
	AA - FUND BALANCE	-	-	-	-
	BD - FINES & FORFEITS	-	-	-	-
	BE - INVEST INCOME	250,000	260,000	270,400	281,216
	BF - RENTS & RECOVERIES	1,416,300	1,416,300	1,416,300	1,416,300
	BG - REVENUE OFFSET TO EXPENSE	511,360	511,360	511,360	511,360
	BH - DEPT REVENUES	17,106,874	17,106,874	17,106,874	17,106,874
	IF - INTERFD TSFS - INTERFUND TRANSFERS	5,000,000	-	-	-
	TL - PROPERTY TAX	51,167,929	51,167,929	51,167,929	51,167,929
	TX - SPECIAL TAXS - SPECIAL TAXES	975,000	975,000	975,000	975,000
Revenue Total		**76,427,463**	**71,437,463**	**71,447,863**	**71,458,679**

FIRE COMMISSION FUND

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	9,412,786	9,757,174	10,114,649	10,485,708
	AB - FRINGE BENEFITS	3,167,138	3,567,414	3,748,882	3,944,299
	BB - EQUIPMENT	140,947	142,709	144,493	146,299
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	394,043	398,969	403,956	409,005
	DE - CONTRACTUAL SERVICES	4,237,675	4,290,646	4,344,279	4,398,582
	HD - DEBT SERVICE CHARGEBACKS	768,252	708,930	518,999	523,718
	HF - INTER-DEPARTMENTAL CHARGES	2,286,073	2,286,073	2,286,073	2,286,073
	LB - TRANS TO GENERAL FUND	-	-	-	-
Expense Total		20,406,914	21,151,914	21,561,330	22,193,684
Revenue					
	BE - INVEST INCOME	45,429	47,246	49,136	51,101
	BF - RENTS & RECOVERIES	-	-	-	-
	BG - REVENUE OFFSET TO EXPENSE	46,720	46,720	46,720	46,720
	BH - DEPT REVENUES	4,237,300	4,237,300	4,237,300	4,237,300
	BJ - INTERDEPT REVENUES	107,759	107,759	107,759	107,759
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	120,000	120,000	120,000	120,000
	TL - PROPERTY TAX	15,849,706	15,849,706	15,849,706	15,849,706
Revenue Total		20,406,914	20,408,731	20,410,621	20,412,586

DEBT SERVICE FUND

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	FF - INTEREST	27,788,164	24,282,038	19,663,647	15,426,040
	GG - PRINCIPAL	115,124,221	111,202,457	105,598,133	108,284,272
	OO - OTHER	148,676,154	177,498,120	192,560,866	193,615,366
Expense Total		**291,588,539**	**312,982,615**	**317,822,646**	**317,325,678**
Revenue					
	AA - FUND BALANCE	-	-	-	-
	BJ - INTERDEPT REVENUES	-	-	-	-
	BV - DEBT SERVICE-CHARGEBACK REVENUE	275,101,348	307,257,642	312,449,663	311,930,054
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	16,487,191	5,724,972	5,372,982	5,395,623
	IF - INTERFD TSFS - INTERFUND TRANSFERS	-	-	-	-
Revenue Total		**291,588,539**	**312,982,614**	**317,822,645**	**317,325,677**

AC - DEPARTMENT OF INVESTIGATIONS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	414,078	429,813	446,146	463,099
	BB - EQUIPMENT	7,000	7,088	7,176	7,266
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	19,600	19,845	20,093	20,344
	DE - CONTRACTUAL SERVICES	54,317	54,996	55,683	56,379
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**494,995**	**511,741**	**529,098**	**547,089**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

AR - ASSESSMENT REVIEW COMMISSION

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	3,548,357	3,665,810	3,787,726	3,914,275
	BB - EQUIPMENT	40,000	40,500	41,006	41,519
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	168,000	170,100	172,226	174,379
	DE - CONTRACTUAL SERVICES	1,790,000	1,812,375	1,835,030	1,857,968
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**5,546,357**	**5,688,785**	**5,835,988**	**5,988,141**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	-	-	-	-
	NA - NIFA AID	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

AS - ASSESSMENT DEPARTMENT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	11,375,158	13,315,454	13,803,417	14,309,923
	BB - EQUIPMENT	332,707	336,866	341,077	345,340
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	859,998	870,748	881,632	892,653
	DE - CONTRACTUAL SERVICES	1,502,367	1,166,772	1,181,356	1,196,123
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**14,070,230**	**15,689,840**	**16,207,483**	**16,744,039**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	245,000	245,000	245,000	245,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	800,000	800,000	800,000	800,000
Revenue Total		**1,045,000**	**1,045,000**	**1,045,000**	**1,045,000**

AT - COUNTY ATTORNEY

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	10,895,225	11,307,762	11,735,974	12,180,460
	AB - FRINGE BENEFITS	17,556,055	18,807,659	20,153,583	21,601,150
	BB - EQUIPMENT	54,059	54,735	55,419	56,112
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	714,500	723,431	732,474	741,630
	DE - CONTRACTUAL SERVICES	3,350,000	3,391,875	3,434,273	3,477,202
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
	OO - OTHER	1,500,000	1,500,000	1,500,000	1,500,000
Expense Total		**34,069,839**	**35,785,462**	**37,611,724**	**39,556,553**
Revenue					
	BF - RENTS & RECOVERIES	2,820,000	2,900,000	2,983,200	3,069,728
	BH - DEPT REVENUES	110,000	110,000	110,000	110,000
	BJ - INTERDEPT REVENUES	9,332,389	9,332,389	9,332,389	9,332,389
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	228,375	228,375	228,375	228,375
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	61,200	61,200	61,200	61,200
Revenue Total		**12,551,964**	**12,631,964**	**12,715,164**	**12,801,692**

BU - OFFICE OF MANAGEMENT AND BUDGET

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	2,578,313	2,655,422	2,734,845	2,816,650
	BB - EQUIPMENT	7,500	7,594	7,689	7,785
	DD - GENERAL EXPENSES	44,140	34,346	34,775	35,210
	DE - CONTRACTUAL SERVICES	250,000	253,125	256,289	259,493
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**2,879,953**	**2,950,487**	**3,033,598**	**3,119,138**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

CA - OFFICE OF CONSUMER AFFAIRS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	2,635,857	2,734,289	2,836,462	2,942,517
	BB - EQUIPMENT	19,000	19,238	19,478	19,721
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	26,100	26,426	26,757	27,091
	DE - CONTRACTUAL SERVICES	-	-	-	-
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**2,680,957**	**2,779,953**	**2,882,697**	**2,989,330**
Revenue					
	BC - PERMITS & LICENSES	6,200,000	6,200,000	6,200,000	6,200,000
	BD - FINES & FORFEITS	620,000	632,400	645,048	657,949
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	200	200	200	200
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	45,900	45,900	45,900	45,900
Revenue Total		**6,866,100**	**6,878,500**	**6,891,148**	**6,904,049**

CC - SHERIFF/ CORRECTIONAL CENTER

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	119,236,678	126,570,422	128,369,002	134,546,032
	BB - EQUIPMENT	112,626	114,034	115,459	116,902
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	4,323,000	4,377,038	4,431,750	4,487,147
	DE - CONTRACTUAL SERVICES	21,286,050	21,552,126	21,821,527	22,094,296
	DF - UTILITY COSTS	632,681	665,515	682,801	696,457
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**145,591,035**	**153,279,134**	**155,420,540**	**161,940,835**
Revenue					
	BD - FINES & FORFEITS	55,000	56,100	57,222	58,366
	BF - RENTS & RECOVERIES	50,000	50,000	50,000	50,000
	BH - DEPT REVENUES	2,120,000	2,120,000	2,120,000	2,120,000
	BJ - INTERDEPT REVENUES	120,000	120,000	120,000	120,000
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	13,389,375	13,389,375	13,389,375	13,389,375
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	1,050,000	1,050,000	1,050,000	1,050,000
Revenue Total		**16,784,375**	**16,785,475**	**16,786,597**	**16,787,741**

CE - COUNTY EXECUTIVE

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	3,802,942	3,913,748	4,027,879	4,145,434
	BB - EQUIPMENT	30,246	30,624	31,007	31,394
	DD - GENERAL EXPENSES	54,443	55,124	55,813	56,510
	DE - CONTRACTUAL SERVICES	102,361	103,641	104,936	106,248
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**3,989,992**	**4,103,137**	**4,219,635**	**4,339,586**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

CF - OFFICE OF CONSTITUENT AFFAIRS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	2,743,903	2,846,555	2,953,108	3,063,710
	AB - FRINGE BENEFITS	-	-	-	-
	BB - EQUIPMENT	4,000	4,050	4,101	4,152
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	1,819,177	1,841,917	1,864,941	1,888,252
	DE - CONTRACTUAL SERVICES	-	-	-	-
	HF - INTER-DEPARTMENTAL CHARGES	939,592	939,592	939,592	939,592
Expense Total		**5,506,672**	**5,632,114**	**5,761,741**	**5,895,706**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BJ - INTERDEPT REVENUES	1,184,497	1,184,497	1,184,497	1,184,497
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
Revenue Total		**1,184,497**	**1,184,497**	**1,184,497**	**1,184,497**

CL - COUNTY CLERK

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	4,932,286	5,113,757	5,302,124	5,497,649
	BB - EQUIPMENT	143,770	145,567	147,387	149,229
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	140,000	141,750	143,522	145,316
	DE - CONTRACTUAL SERVICES	354,375	358,805	363,290	367,831
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**5,570,431**	**5,759,879**	**5,956,322**	**6,160,025**
Revenue					
	BD - FINES & FORFEITS	200,000	204,000	208,080	212,242
	BH - DEPT REVENUES	16,500,000	16,250,000	15,750,000	15,250,000
Revenue Total		**16,700,000**	**16,454,000**	**15,958,080**	**15,462,242**

CO - COUNTY COMPTROLLER

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	6,445,957	6,682,898	6,928,843	7,184,133
	BB - EQUIPMENT	133,500	135,169	136,858	138,569
	DD - GENERAL EXPENSES	78,234	79,212	80,202	81,205
	DE - CONTRACTUAL SERVICES	633,000	640,913	648,924	657,035
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**7,290,691**	**7,538,191**	**7,794,827**	**8,060,942**
Revenue					
	BF - RENTS & RECOVERIES	400,000	400,000	400,000	400,000
	BH - DEPT REVENUES	14,850	14,850	14,850	14,850
Revenue Total		**414,850**	**414,850**	**414,850**	**414,850**

CS - CIVIL SERVICE

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	4,529,502	4,698,042	4,872,987	5,054,580
	BB - EQUIPMENT	21,438	21,706	21,977	22,252
	DD - GENERAL EXPENSES	287,162	290,752	294,386	298,066
	DE - CONTRACTUAL SERVICES	7,562	7,657	7,752	7,849
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
	HH - INTERFD CHGS - INTERFUND CHARGES	150,000	150,000	150,000	150,000
Expense Total		**4,995,664**	**5,168,156**	**5,347,103**	**5,532,747**
Revenue					
	BF - RENTS & RECOVERIES	30,800	30,800	30,800	30,800
	BH - DEPT REVENUES	235,000	235,000	235,000	235,000
Revenue Total		**265,800**	**265,800**	**265,800**	**265,800**

CT - COURTS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AB - FRINGE BENEFITS	2,436,342	2,547,628	2,665,099	2,789,116
Expense Total		**2,436,342**	**2,547,628**	**2,665,099**	**2,789,116**
Revenue					
	BG - REVENUE OFFSET TO EXPENSE	305,920	305,920	305,920	305,920
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	2,017,510	2,017,510	2,017,510	2,017,510
Revenue Total		**2,323,430**	**2,323,430**	**2,323,430**	**2,323,430**

DA - DISTRICT ATTORNEY

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	25,619,606	26,573,664	27,563,977	28,591,922
	BB - EQUIPMENT	63,000	63,788	64,585	65,392
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	692,720	701,379	710,146	719,023
	DE - CONTRACTUAL SERVICES	782,194	791,971	801,871	811,894
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**27,157,520**	**28,130,802**	**29,140,579**	**30,188,231**
Revenue					
	BD - FINES & FORFEITS	-	-	-	-
	BE - INVEST INCOME	400	416	433	450
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	-	-	-	-
	BJ - INTERDEPT REVENUES	110,000	110,000	110,000	110,000
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	1,374,089	1,374,089	1,374,089	1,374,089
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	28,232	28,232	28,232	28,232
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	52,004	52,004	52,004	52,004
Revenue Total		**1,564,725**	**1,564,741**	**1,564,758**	**1,564,775**

DR - DRUG & ALCOHOL

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	5,320,192	5,517,204	5,721,702	5,933,971
	BB - EQUIPMENT	1,531	1,550	1,570	1,589
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	80,000	81,000	82,013	83,038
	DE - CONTRACTUAL SERVICES	6,679,022	6,357,510	6,436,979	6,517,441
	HF - INTER-DEPARTMENTAL CHARGES	1,860,045	1,860,045	1,860,045	1,860,045
Expense Total		**13,940,790**	**13,817,309**	**14,102,307**	**14,396,084**
Revenue					
	BF - RENTS & RECOVERIES	15,000	15,000	15,000	15,000
	BH - DEPT REVENUES	-	-	-	-
	BJ - INTERDEPT REVENUES	749,975	749,975	749,975	749,975
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	3,323,429	3,323,429	3,323,429	3,323,429
Revenue Total		**4,088,404**	**4,088,404**	**4,088,404**	**4,088,404**

DS - DEBT SERVICE

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	FF - INTEREST	-	-	-	-
	GG - PRINCIPAL	-	-	-	-
	HD - DEBT SERVICE CHARGEBACKS	252,717,246	286,787,788	293,515,110	294,571,525
	HH - INTERFD CHGS - INTERFUND CHARGES	-	-	-	-
Expense Total		252,717,246	286,787,788	293,515,110	294,571,525
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	IF - INTERFD TSFS - INTERFUND TRANSFERS	-	-	-	-
Revenue Total		-	-	-	-

EL - BOARD OF ELECTIONS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	8,776,506	9,104,731	9,445,429	9,799,073
	BB - EQUIPMENT	112,500	113,906	115,330	116,772
	DD - GENERAL EXPENSES	898,138	909,365	920,732	932,241
	DE - CONTRACTUAL SERVICES	549,000	555,863	562,811	569,846
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**10,336,144**	**10,683,865**	**11,044,302**	**11,417,932**
Revenue					
	BF - RENTS & RECOVERIES	120,000	120,000	120,000	120,000
	BH - DEPT REVENUES	35,000	35,000	35,000	35,000
Revenue Total		**155,000**	**155,000**	**155,000**	**155,000**

EM - EMERGENCY MANAGEMENT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	542,905	563,364	584,601	606,645
	BB - EQUIPMENT	36,193	36,645	37,103	37,567
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	34,350	34,779	35,214	35,654
	HF - INTER-DEPARTMENTAL CHARGES	107,759	107,759	107,759	107,759
Expense Total		**721,207**	**742,548**	**764,678**	**787,626**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	171,267	171,267	171,267	171,267
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	-	-	-	-
Revenue Total		**171,267**	**171,267**	**171,267**	**171,267**

FB - FRINGE BENEFIT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AB - FRINGE BENEFITS	149,605,973	169,469,328	178,973,551	189,160,363
	JC - FEDERAL DISALLOWANCES RESERVE	-	-	-	-
Expense Total		**149,605,973**	**169,469,328**	**178,973,551**	**189,160,363**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BG - REVENUE OFFSET TO EXPENSE	4,054,400	4,054,400	4,054,400	4,054,400
	BH - DEPT REVENUES	-	-	-	-
Revenue Total		**4,054,400**	**4,054,400**	**4,054,400**	**4,054,400**

HE - HEALTH DEPARTMENT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	17,167,418	17,800,663	18,457,971	19,140,257
	BB - EQUIPMENT	30,000	30,375	30,755	31,139
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	1,879,300	1,902,791	1,926,576	1,950,658
	DE - CONTRACTUAL SERVICES	7,342,000	6,257,525	6,273,244	6,289,160
	HF - INTER-DEPARTMENTAL CHARGES	5,429,603	5,429,603	5,429,603	5,429,603
	HH - INTERFD CHGS - INTERFUND CHARGES	25,000	25,000	25,000	25,000
	PP - EARLY INTERVENTION/SPECIAL EDUCATION	144,086,100	148,840,941	153,752,692	158,826,531
Expense Total		**175,959,421**	**180,286,898**	**185,895,841**	**191,692,348**
Revenue					
	AA - FUND BALANCE	867,000	-	-	-
	BC - PERMITS & LICENSES	3,603,580	3,603,580	3,603,580	3,603,580
	BD - FINES & FORFEITS	225,000	229,500	234,090	238,772
	BF - RENTS & RECOVERIES	50,000	50,000	50,000	50,000
	BH - DEPT REVENUES	8,601,900	8,601,900	8,601,900	8,601,900
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	85,081,730	87,497,192	90,122,108	92,825,771
Revenue Total		**98,429,210**	**99,982,172**	**102,611,678**	**105,320,023**

HI - HOUSING & INTERGOVERNMENTAL AFFAIRS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	1,100,029	1,141,678	1,184,910	1,229,784
	BB - EQUIPMENT	7,000	7,088	7,176	7,266
	DD - GENERAL EXPENSES	196,500	198,956	201,443	203,961
	DE - CONTRACTUAL SERVICES	2,575,000	2,607,188	2,639,777	2,672,775
	HF - INTER-DEPARTMENTAL CHARGES	1,049,229	1,049,229	1,049,229	1,049,229
	HH - INTERFD CHGS - INTERFUND CHARGES	-	-	-	-
Expense Total		**4,927,758**	**5,004,138**	**5,082,536**	**5,163,015**
Revenue					
	BG - REVENUE OFFSET TO EXPENSE	150,000	150,000	150,000	150,000
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	582,838	582,838	582,838	582,838
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	400,000	400,000	400,000	400,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	1,800,000	1,800,000	1,800,000	1,800,000
Revenue Total		**2,932,838**	**2,932,838**	**2,932,838**	**2,932,838**

HP - PHYSICALLY CHALLENGED

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	341,736	354,646	368,047	381,956
	BB - EQUIPMENT	2,067	2,093	2,119	2,145
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	18,000	18,225	18,453	18,683
	DE - CONTRACTUAL SERVICES	35,000	35,438	35,880	36,329
	HF - INTER-DEPARTMENTAL CHARGES	282,014	282,014	282,014	282,014
Expense Total		**678,817**	**692,415**	**706,513**	**721,128**
Revenue					
	BD - FINES & FORFEITS	50,000	51,000	52,020	53,060
	BF - RENTS & RECOVERIES	-	-	-	-
	BJ - INTERDEPT REVENUES	600,000	600,000	600,000	600,000
Revenue Total		**650,000**	**651,000**	**652,020**	**653,060**

HR - COMMISSION ON HUMAN RIGHTS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	647,471	671,776	697,005	723,193
	BB - EQUIPMENT	6,704	6,788	6,873	6,959
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	25,333	25,650	25,970	26,295
	DE - CONTRACTUAL SERVICES	25,206	25,521	25,840	26,163
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**704,714**	**729,735**	**755,688**	**782,609**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

IT - INFORMATION TECHNOLOGY

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	9,933,510	10,304,830	10,690,260	11,090,337
	AB - FRINGE BENEFITS	-	-	-	-
	BB - EQUIPMENT	252,000	255,150	258,339	261,569
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	2,445,734	2,476,306	2,507,259	2,538,600
	DE - CONTRACTUAL SERVICES	6,371,322	6,450,964	6,531,601	6,613,246
	DF - UTILITY COSTS	3,609,433	3,789,905	3,884,652	3,962,345
	HF - INTER-DEPARTMENTAL CHARGES	1,888,809	1,888,809	1,888,809	1,888,809
Expense Total		**24,500,808**	**25,165,963**	**25,760,921**	**26,354,906**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	202,000	202,000	202,000	202,000
	BI - CAP BACKCHARGES	2,311,073	2,398,894	2,490,052	2,584,674
	BJ - INTERDEPT REVENUES	5,559,985	5,559,985	5,559,985	5,559,985
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	660,000	686,400	713,856	742,410
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	372,000	372,000	372,000	372,000
Revenue Total		**9,105,058**	**9,219,279**	**9,337,893**	**9,461,069**

LE - COUNTY LEGISLATURE

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	5,589,610	5,770,038	5,957,323	6,151,724
	BB - EQUIPMENT	62,500	63,281	64,072	64,873
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	1,013,000	1,025,663	1,038,483	1,051,464
	DE - CONTRACTUAL SERVICES	1,003,600	1,016,145	1,028,847	1,041,707
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**7,668,710**	**7,875,127**	**8,088,725**	**8,309,769**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

LR - OFFICE OF LABOR RELATIONS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	423,400	439,489	456,190	473,525
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	10,000	10,125	10,252	10,380
	DE - CONTRACTUAL SERVICES	3,000	3,038	3,075	3,114
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**436,400**	**452,652**	**469,517**	**487,019**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

MA - OFFICE OF MINORITY AFFAIRS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	687,676	713,656	740,623	768,614
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	54,443	55,124	55,813	56,510
	DE - CONTRACTUAL SERVICES	206,682	209,266	211,881	214,530
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**948,801**	**978,045**	**1,008,317**	**1,039,654**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
Revenue Total		**-**	**-**	**-**	**-**

ME - MEDICAL EXAMINER

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	5,018,165	5,206,668	5,402,334	5,605,436
	BB - EQUIPMENT	51,000	51,638	52,283	52,937
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	457,070	462,783	468,568	474,425
	DE - CONTRACTUAL SERVICES	206,682	209,266	211,881	214,530
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**5,732,917**	**5,930,354**	**6,135,067**	**6,347,327**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	20,000	20,000	20,000	20,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	1,525,826	1,525,826	1,525,826	1,525,826
Revenue Total		**1,545,826**	**1,545,826**	**1,545,826**	**1,545,826**

MH - MENTAL HEALTH

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	817,947	848,415	880,040	912,867
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	820,839	831,099	841,488	852,007
	DE - CONTRACTUAL SERVICES	7,861,598	7,352,368	7,444,273	7,537,326
	HF - INTER-DEPARTMENTAL CHARGES	630,860	630,860	630,860	630,860
	OO - OTHER	-	-	-	-
	PP - EARLY INTERVENTION/SPECIAL EDUCATION	-	-	-	-
Expense Total		**10,131,244**	**9,662,742**	**9,796,661**	**9,933,060**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	327,840	327,840	327,840	327,840
	BJ - INTERDEPT REVENUES	508,721	508,721	508,721	508,721
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	3,625,705	3,734,476	3,846,510	3,961,906
Revenue Total		**4,462,266**	**4,571,037**	**4,683,071**	**4,798,467**

MI - MISCELLANEOUS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	4,351,653	4,517,016	4,688,662	4,866,832
	AB - FRINGE BENEFITS	22,679,424	23,710,303	24,792,585	25,928,834
	GA - LOCAL GOVT ASST PROGRAM	59,736,041	61,615,594	63,555,293	65,557,063
	HC - NHC ASSN EXP - NASSAU HEALTH CARE ASSN	13,000,000	13,000,000	13,000,000	13,000,000
	HF - INTER-DEPARTMENTAL CHARGES	4,206,401	4,206,401	4,206,401	4,206,401
	JM - CONTINGENCY FOR FUTURE EXPENSES	-	-	-	-
	LO - TRANS TO CPF FUND	5,000,000	-	-	-
	LU - TRANS TO DEBT SERVICE FUND	-	-	-	-
	NA - NCIFA EXPENDITURES	1,450,000	1,540,000	1,100,000	700,000
	OO - OTHER	23,914,666	69,062,998	69,215,674	69,372,826
Expense Total		**134,338,185**	**177,652,312**	**180,558,615**	**183,631,955**
Revenue					
	AA - FUND BALANCE	5,000,000	-	-	-
	BF - RENTS & RECOVERIES	23,200,000	14,800,000	200,000	200,000
	BG - REVENUE OFFSET TO EXPENSE	5,597,823	5,597,823	5,597,823	5,597,823
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	320,265	320,265	320,265	320,265
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	1,646,011	1,646,011	1,646,011	1,646,011
Revenue Total		**35,764,099**	**22,364,099**	**7,764,099**	**7,764,099**

PA - PUBLIC ADMINISTRATOR

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	419,757	435,631	452,107	469,210
	BB - EQUIPMENT	2,552	2,584	2,616	2,649
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	6,203	6,281	6,359	6,439
	DE - CONTRACTUAL SERVICES	7,234	7,324	7,416	7,509
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**435,746**	**451,819**	**468,499**	**485,807**
Revenue					
	BH - DEPT REVENUES	327,854	327,854	327,854	327,854
Revenue Total		**327,854**	**327,854**	**327,854**	**327,854**

PB - PROBATION

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	19,172,704	19,876,639	20,607,323	21,365,773
	AB - FRINGE BENEFITS	-	-	-	-
	BB - EQUIPMENT	24,500	24,806	25,116	25,430
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	182,463	184,744	187,053	189,391
	DE - CONTRACTUAL SERVICES	102,081	103,357	104,649	105,957
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		19,481,748	20,189,546	20,924,141	21,686,551
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	1,500,000	1,500,000	1,500,000	1,500,000
	BJ - INTERDEPT REVENUES	3,000,000	3,000,000	3,000,000	3,000,000
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	3,575,992	3,575,992	3,575,992	3,575,992
Revenue Total		8,075,992	8,075,992	8,075,992	8,075,992

PE - DEPARTMENT OF HUMAN RESOURCES

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	696,006	716,826	738,271	760,359
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	91,100	92,239	93,392	94,559
	DE - CONTRACTUAL SERVICES	118,700	120,184	121,686	123,207
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**905,806**	**929,249**	**953,349**	**978,125**

PL - PLANNING

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	1,713,256	1,777,650	1,844,491	1,913,872
	BB - EQUIPMENT	546	553	560	567
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	114,031	115,456	116,900	118,361
	DE - CONTRACTUAL SERVICES	1,347,500	351,844	356,242	360,695
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
	MM - MASS TRANSPORTATION	45,981,120	46,757,783	47,559,688	48,387,654
	OO - OTHER	60,000	60,000	60,000	60,000
Expense Total		**49,216,453**	**49,063,286**	**49,937,880**	**50,841,148**
Revenue					
	AA - FUND BALANCE	1,000,000	-	-	-
	BD - FINES & FORFEITS	30,000	30,600	31,212	31,836
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	1,095,500	1,095,500	1,095,500	1,095,500
	BJ - INTERDEPT REVENUES	-	-	-	-
	BK - SERVICE FEES	-	-	-	-
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	110,000	-	-	-
	TX - SPECIAL TAXS - SPECIAL TAXES	-	-	-	-
Revenue Total		**2,235,500**	**1,126,100**	**1,126,712**	**1,127,336**

PR - PURCHASING DEPARTMENT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	1,429,463	1,483,014	1,538,600	1,596,298
	BB - EQUIPMENT	2,300	2,329	2,358	2,387
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	33,250	33,666	34,086	34,513
	DE - CONTRACTUAL SERVICES	93,363	94,530	95,712	96,908
	HF - INTER-DEPARTMENTAL CHARGES	237,588	237,588	237,588	237,588
Expense Total		**1,795,964**	**1,851,126**	**1,908,344**	**1,967,694**
Revenue					
	BF - RENTS & RECOVERIES	50,000	50,000	50,000	50,000
	BH - DEPT REVENUES	15,000	15,000	15,000	15,000
	BJ - INTERDEPT REVENUES	858,709	858,709	858,709	858,709
Revenue Total		**923,709**	**923,709**	**923,709**	**923,709**

PW - PUBLIC WORKS DEPARTMENT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	36,306,496	37,646,515	39,037,455	40,481,251
	AB - FRINGE BENEFITS	-	-	-	-
	BB - EQUIPMENT	351,319	355,710	360,157	364,659
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	4,813,753	4,959,042	5,112,957	5,276,150
	DE - CONTRACTUAL SERVICES	7,909,580	8,008,450	8,108,555	8,209,912
	DF - UTILITY COSTS	25,299,239	28,016,051	30,230,827	32,407,248
	HF - INTER-DEPARTMENTAL CHARGES	5,034,950	5,034,950	5,034,950	5,034,950
	OO - OTHER	-	-	-	-
Expense Total		**79,715,337**	**84,020,719**	**87,884,902**	**91,774,171**
Revenue					
	BC - PERMITS & LICENSES	182,000	182,000	182,000	182,000
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	865,000	865,000	865,000	865,000
	BI - CAP BACKCHARGES	4,570,240	4,743,909	4,924,178	5,111,296
	BJ - INTERDEPT REVENUES	15,644,974	15,644,974	15,644,974	15,644,974
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	7,000,000	7,434,000	7,664,454	7,833,072
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	440,000	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	-	-	-	-
Revenue Total		**28,702,214**	**28,869,883**	**29,280,606**	**29,636,342**

RE - OFFICE OF REAL ESTATE SERVICES

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	829,136	860,373	892,797	926,453
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	212,000	214,650	217,333	220,050
	DE - CONTRACTUAL SERVICES	96,019	97,219	98,434	99,665
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
	OO - OTHER	12,591,815	12,861,243	13,259,942	13,671,000
Expense Total		**13,728,970**	**14,033,485**	**14,468,506**	**14,917,168**
Revenue					
	BF - RENTS & RECOVERIES	8,241,301	8,406,127	8,574,250	8,745,735
	BH - DEPT REVENUES	75,600	75,600	75,600	75,600
	BJ - INTERDEPT REVENUES	7,485,267	7,485,267	7,485,267	7,485,267
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	94,314	94,314	94,314	94,314
Revenue Total		**15,896,482**	**16,061,308**	**16,229,431**	**16,400,916**

RM - RECORDS MANAGEMENT

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	708,531	734,859	762,188	790,555
	AB - FRINGE BENEFITS	-	-	-	-
	BB - EQUIPMENT	37,575	38,045	38,520	39,002
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	181,476	183,744	186,041	188,367
	DE - CONTRACTUAL SERVICES	134,680	136,364	138,068	139,794
	HF - INTER-DEPARTMENTAL CHARGES	680,333	680,333	680,333	680,333
Expense Total		**1,742,595**	**1,773,345**	**1,805,151**	**1,838,051**
Revenue					
	BJ - INTERDEPT REVENUES	129,084	129,084	129,084	129,084
Revenue Total		**129,084**	**129,084**	**129,084**	**129,084**

RS - RESERVES

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	JA - CONTINGENCIES RESERVE	-	-	-	-
Expense Total		**-**	**-**	**-**	**-**
Revenue					
	BD - FINES & FORFEITS	-	-	-	-
	BF - RENTS & RECOVERIES	12,500,000	12,500,000	12,500,000	12,500,000
Revenue Total		**12,500,000**	**12,500,000**	**12,500,000**	**12,500,000**

RV - GENERAL FUND UNALLOCATED REVENUE

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Revenue					
	AA - FUND BALANCE	5,000,000	-	-	-
	BA - INT PENALTY ON TAX	-	-	-	-
	BD - FINES & FORFEITS	2,195,552	2,239,463	2,284,252	2,329,937
	BE - INVEST INCOME	-	-	-	-
	BJ - INTERDEPT REVENUES	46,447,223	46,447,223	46,447,223	46,447,223
	BO - PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	4,500,000	4,500,000	4,500,000	4,500,000
	BS - OTB PROFITS	5,655,000	5,068,000	5,135,000	4,752,000
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	22,225,667	23,114,694	24,039,281	25,000,853
	IF - INTERFD TSFS - INTERFUND TRANSFERS	-	-	-	-
	NA - NIFA AID	-	-	-	-
	TA - SALES TAX CO - SALES TAX COUNTYWIDE	936,369,365	966,333,185	997,255,847	1,029,168,034
	TB - PART COUNTY - SALES TAX PART COUNTY	65,421,278	61,327,744	63,290,232	65,315,520
	TL - PROPERTY TAX	80,016,368	80,016,368	80,016,368	80,016,368
	TO - OTB 5% TAX	6,500,000	6,500,000	6,500,000	6,500,000
Revenue Total		**1,174,330,453**	**1,195,546,677**	**1,229,468,204**	**1,264,029,934**

SA - COORD AGENCY FOR SPANISH AMERICANS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	425,104	441,258	458,026	475,431
	BB - EQUIPMENT	5,000	5,063	5,126	5,190
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	11,500	11,644	11,789	11,937
	DE - CONTRACTUAL SERVICES	15,000	15,188	15,377	15,570
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**456,604**	**473,152**	**490,318**	**508,127**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	25,000	25,000	25,000	25,000
Revenue Total		**25,000**	**25,000**	**25,000**	**25,000**

SC - SENIOR CITIZEN AFFAIRS

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	2,442,317	2,532,875	2,626,875	2,724,447
	BB - EQUIPMENT	6,000	6,075	6,151	6,228
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	60,036	60,786	61,546	62,316
	DE - CONTRACTUAL SERVICES	12,679,912	12,635,911	12,793,860	12,953,783
	HF - INTER-DEPARTMENTAL CHARGES	1,407,862	1,407,862	1,407,862	1,407,862
Expense Total		**16,596,127**	**16,643,510**	**16,896,294**	**17,154,635**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	15,450	15,450	15,450	15,450
	BJ - INTERDEPT REVENUES	390,562	390,562	390,562	390,562
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	5,034,374	5,109,890	5,186,538	5,264,336
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	4,688,045	4,781,806	4,877,442	4,974,991
Revenue Total		**10,128,431**	**10,297,708**	**10,469,992**	**10,645,339**

SS - SOCIAL SERVICES

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	50,063,914	51,926,814	53,860,504	55,867,675
	BB - EQUIPMENT	127,570	129,165	130,779	132,414
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	1,161,243	1,175,759	1,190,456	1,205,336
	DE - CONTRACTUAL SERVICES	14,198,321	13,464,550	13,632,857	13,803,268
	DF - UTILITY COSTS	400	425	438	448
	HF - INTER-DEPARTMENTAL CHARGES	19,541,024	19,541,024	19,541,024	19,541,024
	SS - RECIPIENT GRANTS	51,652,600	54,235,230	56,946,992	59,794,341
	TT - PURCHASED SERVICES	46,012,951	48,037,521	50,151,172	52,357,823
	WW - EMERGENCY VENDOR PAYMENTS	53,060,200	55,394,849	57,832,222	60,376,840
	XX - MEDICAID	214,609,343	221,348,284	227,568,845	234,395,910
	XY - MEDICAID - IGT	39,573,706	39,573,706	39,573,706	39,573,706
Expense Total		**490,001,272**	**504,827,326**	**520,428,994**	**537,048,784**
Revenue					
	AA - FUND BALANCE	1,500,000	-	-	-
	BF - RENTS & RECOVERIES	3,408,364	-	-	-
	BH - DEPT REVENUES	9,467,000	9,467,000	9,467,000	9,467,000
	BX - MEDICAID IGT REIMBURSEMENTS	39,573,706	39,573,706	39,573,706	39,573,706
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	94,665,063	98,830,326	103,178,860	107,718,730
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	59,204,417	60,412,379	61,650,540	62,919,655
Revenue Total		**207,818,550**	**208,283,411**	**213,870,106**	**219,679,091**

TR - COUNTY TREASURER

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	2,683,193	2,784,036	2,888,710	2,997,363
	BB - EQUIPMENT	9,913	10,037	10,162	10,289
	DD - GENERAL EXPENSES	327,675	331,771	335,918	340,117
	DE - CONTRACTUAL SERVICES	559,260	566,251	573,329	580,495
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**3,580,041**	**3,692,094**	**3,808,120**	**3,928,264**
Revenue					
	BA - INT PENALTY ON TAX	24,000,000	24,500,000	24,500,000	24,500,000
	BD - FINES & FORFEITS	8,000	8,160	8,323	8,490
	BE - INVEST INCOME	13,473,840	14,012,794	14,573,305	15,156,238
	BF - RENTS & RECOVERIES	-	-	-	-
	BH - DEPT REVENUES	440,000	440,000	440,000	440,000
	BO - PAY LIEU TAX - PAYMENT IN LIEU OF TAXES	-	-	-	-
	TX - SPECIAL TAXS - SPECIAL TAXES	4,560,000	4,560,000	4,560,000	4,560,000
Revenue Total		**42,481,840**	**43,520,954**	**44,081,629**	**44,664,727**

TS - TRAFFIC SAFETY BOARD

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	190,776	197,863	205,219	212,855
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	600	608	615	623
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**191,376**	**198,470**	**205,834**	**213,477**
Revenue					
	BD - FINES & FORFEITS	-	-	-	-
	BH - DEPT REVENUES	175,000	175,000	175,000	175,000
Revenue Total		**175,000**	**175,000**	**175,000**	**175,000**

TV - TRAFFIC & PARKING VIOLATIONS AGENCY

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	2,446,215	2,537,158	2,631,556	2,729,541
	BB - EQUIPMENT	25,520	25,839	26,162	26,489
	DD - GENERAL EXPENSES	154,010	155,935	157,884	159,858
	DE - CONTRACTUAL SERVICES	1,035,495	1,048,439	1,061,544	1,074,813
	HF - INTER-DEPARTMENTAL CHARGES	-	-	-	-
Expense Total		**3,661,240**	**3,767,370**	**3,877,146**	**3,990,702**
Revenue					
	BD - FINES & FORFEITS	19,200,000	19,584,000	19,975,680	20,375,194
	BF - RENTS & RECOVERIES	1,300,000	-	-	-
Revenue Total		**20,500,000**	**19,584,000**	**19,975,680**	**20,375,194**

VS - VETERANS SERVICES AGENCY

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	568,144	589,485	611,637	634,631
	BB - EQUIPMENT	-	-	-	-
	CC - MATERIALS & SUPPLIES	-	-	-	-
	DD - GENERAL EXPENSES	5,595	5,665	5,736	5,807
	DE - CONTRACTUAL SERVICES	700	709	718	727
	HF - INTER-DEPARTMENTAL CHARGES	343,706	343,706	343,706	343,706
Expense Total		**918,145**	**939,565**	**961,796**	**984,871**
Revenue					
	BF - RENTS & RECOVERIES	-	-	-	-
	BJ - INTERDEPT REVENUES	1,000,000	1,000,000	1,000,000	1,000,000
	FA - FEDERAL AID - REIMBURSEMENT OF EXPENSES	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	32,500	32,500	32,500	32,500
Revenue Total		**1,032,500**	**1,032,500**	**1,032,500**	**1,032,500**

YB - NASSAU COUNTY YOUTH BOARD

E/R	Object	2006 Adopted Budget	2007 Plan	2008 Plan	2009 Plan
Expense					
	AA - SALARIES, WAGES & FEES	519,239	538,288	558,062	578,586
	DD - GENERAL EXPENSES	11,800	11,948	12,097	12,248
	DE - CONTRACTUAL SERVICES	8,676,823	8,380,283	8,485,037	8,591,100
	HF - INTER-DEPARTMENTAL CHARGES	599,952	599,952	599,952	599,952
Expense Total		**9,807,814**	**9,530,471**	**9,655,147**	**9,781,886**
Revenue					
	AA - FUND BALANCE	-	-	-	-
	BF - RENTS & RECOVERIES	-	-	-	-
	BJ - INTERDEPT REVENUES	-	-	-	-
	BW - INTERFD CHGS - INTERFUND CHARGES REVENUE	-	-	-	-
	SA - STATE AID - REIMBURSEMENT OF EXPENSES	1,523,333	1,523,333	1,523,333	1,523,333
Revenue Total		**1,523,333**	**1,523,333**	**1,523,333**	**1,523,333**

SMART GOVERNMENT

INITIATIVES

Since coming to office in January 2002, the Suozzi Administration has placed a strong emphasis on cleaning up the mismanagement of the past. Part of this effort has been the identification of government waste and the development of new and improved ways of doing business – ways that enhance efficiency, reduce spending or generate non-tax revenue.

The 2006-2009 Multi-Year Financial Plan assumes that the County will achieve $23.2 million worth of initiatives in Fiscal 2007, $37.4 million in Fiscal 2008 and $40.7 million in Fiscal 2009.

Initiative	Impact FY07	Impact FY08	Impact FY09
Public Safety	5,000,000	5,000,000	5,000,000
Health & Human Services	6,385,417	7,935,761	7,988,621
Parks, Public Works & Partnerships	2,325,000	3,575,000	4,825,000
Shared Services	2,350,000	3,200,000	3,200,000
Budget & Finance	7,100,000	17,708,693	19,708,693
TOTAL COUNTY	23,160,417	37,419,454	40,722,314

PUBLIC SAFETY

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Increased Federal Inmate Aid
Source: 2006-09 MYP
Owner: Public Safety Vertical
Department: Correctional Center
Vertical: Public Safety

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,500,000	$1,500,000	$1,500,000
Revised	$0	$1,500,000	$1,500,000	$1,500,000

Description:

Current trends indicate that federal authorities will require additional facilities to house inmates held in their care. This initiative assumes that the average number of federal inmates incarcerated in the County's correctional facility will increase by 25 heads above the average of 175 heads assumed in the proposed 2006 budget. The daily reimbursement rate, based upon the current per diem rate, of $165 is assumed to be held constant through 2007.

Implementation:

Correctional Center works with U.S. Department of Justice (DOJ) to arrange for acceptance of additional Federal inmtes in Nassau County Correctional Center.

Milestone	Original Date	Revised Date	Date Achieved
Begin discussions with D.O.J.	11/05		
Enter into Custody Agreement	3/05		

Fiscal Impact Methodology

The average incremental number of federal inmates housed in the correctional center above the budgeted number (25) x the average per diem federal reimbursement rate ($165) received from the federal government times 365 days.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

PUBLIC SAFETY

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Police Overtime Reductions
Source: 2006-09 MYP
Owner: Public Safety
Department: Police Department
Vertical: Public Safety

Projection	FY06	FY07	FY08	FY09
Original	$0	$2,000,000	$2,000,000	$2,000,000
Revised	$0	$2,000,000	$2,000,000	$2,000,000

Description:
OMB anticipates that it will be able to achieve additional overtime savings versus the baseline as a result of several ongoing initiatives. These include the PD's efforts to further civilianize administrative positions currently occupied by sworn officers, to add civilians and reduce non-sworn overtime, to institute operational changes, and maximize its deployment of the 2,650 sworn officer headcount. These initiatives will result in a higher number of officers being assigned to patrol details which effectively reduces the amount of overtime expenditures in both the District and Headquarter budgets.

Implementation:
These efforts have already begun. These savings are on top of the baseline savings already assumed in the 2006 Budget.

Milestone	Original Date	Revised Date	Date Achieved

Fiscal Impact Methodology
The impact of these efforts can be measured by the number of officers redeployed into direct patrol functions and the number of new recuits deployed. These additional resources will increase the universe of personnel available which enables management with the flexibility fill the charts efficiently. Adding additional personnel into the ranks will reduce the amount of overtime incurred and the salary structure of new recruits will lower the overall overtime rate paid by the department.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

PUBLIC SAFETY

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Ticket Processing Surcharge
Source: April 2002 MYP
Owner: Pat Reilly
Department: TPVA
Vertical: Public Safety

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,500,000	$1,500,000	$1,500,000
Revised	$0	$1,500,000	$1,500,000	$1,500,000

Description:
State legislation currently enables Nassau County's Traffic and Ticket Violation Agency (TPVA) to collect a $15 surcharge on traffic (speeding) tickets and a $10 surcharge on parking tickets which are adjudicated in the Traffic Violations and Parking Agency. A increase to the surcharge will enable the agency to invest in its computer systems which will produce workflow improvements and productivity gains which result in enhanced collection efforts. The proposal is for a $5 and $10 increase on parking and traffic violations respectively.

Implementation:
This initiative requires State legislative approval. The County will reinvigorate its lobbying efforts in Albany in seeking approval for the increase.

Milestone	Original Date	Revised Date	Achieved
Draft enabling legislation	3/03	3/03	Yes
State legislation approval	6/03	6/07	
Local legislation approval	9/03	9/07	

Fiscal Impact Methodology
Parking ticket surcharge revenue = the amount of tickets paid x $5 surcharge = Parking surcharge collected
Traffic ticket surcharge revenue = the amount of tickets paid x $10 surcharge = Traffic surcharge collected

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

HEALTH & HUMAN SERVICES

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
As of September 15, 2005

STATUS 3

Initiative: HHS Administrative Consolidation
Source: 2004-07 MYP
Owner: Mary Curtis
Department: Health & Human Services
Vertical: Health & Human Services

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,778,544	$3,278,544	$3,278,544
Revised	$0	$1,778,544	$3,278,544	$3,278,544

Description:
HHS is in the process of reorganizing its current eight departments in a manner which will 1.) maximize revenue, 2.) minimize administrative expense, 3.) enhance client-service delivery, and 4.) improve the continuity of internal support services within the HHS vertical. HHS has performed an assessment of potential reorganization scenarios to best achieve stated objectives. The results of this reorganization will align programs to best leverage State and Federal funds, and deploy staff from across historic department and program lines where commonalities in function exist while maintaining programmatic identity. In addition to department and program consolidation, this initiative includes other cost-savings opportunities and operational efficiencies which will yield savings. It has also moved most of its personnel to a new facility as part of the "No Wrong Door Policy".

Implementation:

Milestone	Original Date	Revised Date	Date Achieved
Begin Document Imaging	8/05		8.05
Relocate departments	3/05-9/05		3/05-9/05

Fiscal Impact Methodology
Savings/Revenue is based in part on the experience of similar initiatives in other Counties as well as expected reimbursement rates for certain expenses.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

HEALTH & HUMAN SERVICES

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Program Reductions
Source: May 2003 Update
Owner: S. Mullon/G. Siberon/P. Clement
Department: Senior Citizens/Youth Board/Social Services
Vertical: Health & Human Services

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,000,000	$1,000,000	$1,000,000
Revised	$0	$1,000,000	$1,000,000	$1,000,000

Description:
This Initiative intends to save funds by reducing the contract expenses of 3 Health & Human Services Departments.

Implementation:
Reduce Youth Board contracts by $50,000, Seniors by $60,000 and Social Services by $890,000. This initiative has been considered and planned for since 2003 but has never been implemented.

Milestone	Original Date	Revised Date	Date Achieved

Fiscal Impact Methodology
Deduct expense dollars and any associated revenue from the respective department's Contractual Services budget line.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

HEALTH & HUMAN SERVICES

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Persons in Need of Supervision (PINS)
Source: 2006-09 MYP
Owner: Peter Clement
Department: Social Services
Vertical: Health & Human Services

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,006,873	$1,057,217	$1,110,077
Revised	$0	$1,006,873	$1,057,217	$1,110,077

Description:
New York State has directed counties to increase their efforts to divert youths from costly residential placement through the use of less costly and potentially more effective alternatives such as Respite Centers and Cooling Off locations, and providing 24 hour Emergency Response. The objective is to keep those youths out of residential placement who are actually only in need of less serious and less strict treatment and services.

Implementation:
The County has increased its expenditure for PINS related Contractual Services in the 2006 Budget, and the Probation Department will be hiring more officers specifically dedicated to this effort. Social Services will fund the officers via an Interdepartmental Service Agreement.

Milestone	Original Date	Revised Date	Date Achieved
Increase DSS Contractual Services in 06 Budget	7/05		
Agree with Probation on level of funding to be provided by DSS	7/05		
Draft ISA with Probation	9/05		

Fiscal Impact Methodology
Savings is based on fewer individuals entering residential placement, and will be seen in the WW - Emergency Vendor payments line of the Social Services department budget. The savings estimate was determined by looking at the current rate at which Probation diverts children, and increased based on the additional money being spent and services being offered.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

HEALTH & HUMAN SERVICES

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Medicaid Cost Containment
Source: 2006-09 MYP
Owner: Peter Clement
Department: Social Services
Vertical: Health & Human Services

Projection	FY06	FY07	FY08	FY09
Original	$0	$2,600,000	$2,600,000	$2,600,000
Revised	$0	$2,600,000	$2,600,000	$2,600,000

Description:
The 2005-06 State Budget anticipated that Medicaid Cost Containment measures, in response to the establishment of the Medicaid cap, would yield ongoing savings for counties throughout the state. These measures include changes to assessments, rates, inflationary factors, co-payments and reimbursement methodologies, to name just a few.

Implementation:
Of the long list of measures considered, several were approved either in their original or revised form.

Milestone	Original Date	Revised Date	Date Achieved

Fiscal Impact Methodology
It was estimated by the State that the savings to Nassau from overall Medicaid Cost Containment would be $10.9 million. However, given that this is not under county control, and in the interest of conservative budgeting, the County is recognizing approximately one quarter, or $2.6 million, of this estimated savings at this time.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

PARKS, PUBLIC WORKS & PARTNERSHIPS

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
as of September 15, 2005

STATUS 3

Initiative: Advertising Revenue
Source: 2004-07 MYP
Owner: Peter Gerbasi
Department: Parks, Public Works
Vertical: Parks, Public Works and Partnerships

Projection	FY06	FY07	FY08	FY09
Original	$0	$325,000	$575,000	$825,000
Revised	$0	$325,000	$575,000	$825,000

Description:
The County is investigating the use of various assets such as roadways, public buildings, vehicles, recreation venues, and street and park furniture as media outlets for generating new revenue and or providing cost avoidance. A contractor will be engaged to assist the County in defining policies and parameters, assessing opportunities and selecting advertising and corporate sponsorship arrangements.

Implementation:
The County will issue an RFP for market based revenue opportunies and adverstising that will result in a 2 phase contract. Phase 1 will be the County-wide asset assessment and Phase 2 will the solicitation of opportunities.

Milestone	Original Date	Revised Date	Date Achieved
Issue RFP	03/30/05	10/15/05	
Award Contract	01/30/06		
Review Assessment/Policy	03/15/06		
Award Contracts/Partnerships	06/30/06		

Fiscal Impact Methodology
Based on similar initiatives in the area of advertising on municipally owned waterways it is anticipated that new revenue and/or cost avoidance estimates are realistic expectations even if the County implements this initiative in a conservative manner. As the concept expands to all asset areas it is expected that recurring revenues from this initiative will grow significantly.

2006 Budget Savings: Object Code BH

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators: Advertising Contracts or Sponsorships Approved

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

PARKS, PUBLIC WORKS & PARTNERSHIPS

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
as of September 15, 2005

STATUS 3

Initiative: Parks Revenue Enhancement Plan
Source: May 2003 MYP Update
Owner: Peter Gerbasi
Department: Parks, Rec. and Museums
Vertical: Parks, Public Works and Partnerships

Projection	FY06	FY07	FY08	FY09
Original	$0	$2,000,000	$3,000,000	$4,000,000
Revised	$0	$2,000,000	$3,000,000	$4,000,000

Description:
There are a myriad of under-performing and underutilized assets within the Nassau County parks system. The Parks Revenue Enhancement Plan provides a framework to improve this situation. Its objectives are to generate additional revenue, improve attendance, increase visibility, enhance recreational services and promote tourism. To achieve these objectives the County will focus on improving business processes such as accepting credit cards, engaging in target marketing to a wide range of audiences, actively soliciting grants and corporate sponsorships for events, venue signage and naming rights and seeking partnerships with the general public and civic groups, other municipalities, recreation industry professionals and employee unions to maximize the utilization and performance of selected facilities.

Implementation:
The County will engage consultants to review key issues in the Plan focusing on revenue maximization including, (1) a local market based comparison of the County's recreational fee structure, (2) a strategic plan for the County's museums and (3)a thorough operational review of the County golf courses aimed at significantly improving golf related revenue.

Milestone	Original Date	Revised Date	Date Achieved
Engage Consultants	10/05		
Review Findings	3/06		
Define Project Plan	5/06		
Implement Plan	7/06		

Fiscal Impact Methodology
Revenue enhancement is expected in all areas however the primary revenue programs within the department are golf, concessions, aquatics, and use of facilities such as ice rinks, beaches, camp ground and marinas.

2006 Budget Savings: Object Code: BH

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators: (To Be Developed)

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

SHARED SERVICES

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
as of September 15, 2005

STATUS 3

Initiative: Automated Time and Leave System (HRMS)
Source: May 2003 MYP Update
Owner: John Donnelly
Department: Human Resources
Vertical: Shared Services

Projection	FY06	FY07	FY08	FY09
Original	$0	$850,000	$1,700,000	$1,700,000
Revised	$0	$850,000	$1,700,000	$1,700,000

Description:
The County is actively reviewing options for implementing an automated time and leave system. This is particularly important given that there are more than 240 employees in the County who devote at least part of their workday to time and leave-related functions. The system is expected to greatly reduce payroll errors and will support planning, tracking and analyzing time and attendance data and allow the County to collect, manage, and distribute critical labor data, resulting in improved use of labor resources at reduces costs.

Implementation:
Implementation will follow the IT Project Methodology and Decision Making Process and it is anticipated that the County would phase in such a project over several years.

Milestone	Original Date	Revised Date	Date Achieved
Planning	8/03	6/04	6/05
Discovery	7/05	12/05	
Design and Approval	12/05	6/06	
Implementation	6/06	6/08	

Fiscal Impact Methodology
Consultants with experience with these types of initiatives believes that the establishment of an automated time and leave system in Nassau would save $7.6 million annually. More than $4 million of this estimate is based on reducing payroll error rates and the remaining $3.4 million in savings derives from various efficiencies, including: reduced payroll staffing dedicated to the current manual process, reduced payroll processing time (reduction is administrative staffing support), reduced unauthorized leave time, improved labor reporting, reduced payroll inflation (reduced hours paid due to the inaccuracy of an honor system), elimination of timesheets, reducing production, storage and retrieval costs.

2006 Budget Savings: Object Code AA/AB

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators: (To Be Developed)

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

SHARED SERVICES

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
as of September 15, 2005

STATUS 3

Initiative: Nassau Coliseum Redevelopment
Source: 2006-09 MYP
Owner: Anthony Cancellieri
Department: County Executive's Office

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,500,000	$1,500,000	$1,500,000
Revised	$0	$1,500,000	$1,500,000	$1,500,000

Description:
The County is entering into an RFP process to examine alternative competitive opportunities for the disposition of the Site. The RFP is designed to solicit responses from the sports/realestate marketplace to identify and permit the evaluation of alternatives for the disposition of the Site which are credible, timely and provide for substantially better terms than the proposed disposition with the Lighthouse Group.

Implementation:
The County intends to consider proposals from one or more developers who desire to acquire/lease and redevelop the Site in a manner consistent with County goals. The proposal due date is Oct. 1, 2005.

Milestone	Original Date	Revised Date	Date Achieved
Issue RFP	8/05		8/05
RFP Due	10/05		

Fiscal Impact Methodology
Based on the terms of proposed disposition with the Lighthouse Group, the County expects to gain approximately $1.5 million in additional annual lease related revenue. As any other competing proposals must provide for substantially better terms than the proposed disposition with the Lighthouse Group this recurring revenue impact is a minimum expectation.

2006 Budget Savings: BF Rents

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators:

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Absentee Landlord Surcharge
Source: Budget 2004
Owner: Glenn Borin
Department: ARC
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$0	$5,733,693	$5,733,693
Revised	$0	$0	$5,733,693	$5,733,693

Description:

Currently, the State of New York has empowered NYC to assess a surcharge on property taxes between 25% and 50% on residential properties that are not owner-occupied. The surcharge recognizes that non-owner occupied residential properties are, in effect, generators of commercial income for landlords. Given problems with non-owner occupied residential properties, particularly on unincorporated areas of the County, the Administration believes that it is sound public policy to pursue such a surcharge. The Assembly has expressed the willingness to extend the surcharge to Nassau County. The Senate, at least, initially, declined to do so. The Administration believes such a surcharge could generate $5.7 million.

Implementation:

The Administration intends to pursue passage of this legislation in the 2006 legislative session.

Milestone	Original Date	Revised Date	Date Achieved
State Legislative Approval	4/05	4/06	

Fiscal Impact Methodology

Class 1 parcels subject to surcharge is 17,210 with a Taxable Assessed Value of $68 million. The regular County Tax on these parcels is $24.7 million @ 25%=$6.2 million. Less 7% reserve for refunds and uncollectible taxes= $5.7 million.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Commercial Tax Grievance Filing Fee
Source: 2004 Adopted Budget
Owner: Elizabeth Botwin
Department: County Attorney
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$0	$3,375,000	$3,375,000
Revised	$0	$0	$3,375,000	$3,375,000

Description:

Fifteen thousand tax grievances in Nassau county (NC) are a large amount of grievances as a result of a flawed tax assessment system. Though the County is fixing this process, it is clear that the level of commercial grievances will continue for sometime in the future. Prior to the 2003 session of the State Legislature, the Administration sought a $225 per parcel grievance filling fee. The Administration considers this fee reasonable because it is consistent with the fee that the State Legislature assigned to obtaining index numbers for tax cert cases in the court system and tacitly recognizes the significant burden born by the County in its efforts to reduce grievances.

Implementation:

NIFA and the County believe in the implementation of this public policy and any potential source of revenue. Accordingly, the Administration will pursue passage of this legislation again in 2006.

Milestone	Original Date	Revised Date	Date Achieved
Legislative Approval	4/05	4/06	

Fiscal Impact Methodology

15000 parcels at $225 filling gee = $3.4 million.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
As of September 15, 2005

STATUS 3

Initiative: Contractual Services Review
Source: 2006-09 MYP
Owner: Mark Young
Department: OMB
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,000,000	$1,000,000	$1,000,000
Revised	$0	$1,000,000	$1,000,000	$1,000,000

Description:
During 2006, in coordination with the County Attorney's Office and a core team of critical department personnel, OMB will embark upon a comprehensive review of the County's contractual agreements and procedures. Focusing solely on non-HHS contracts, the group will explore whether departments are effectively managing their contracts, consolidating their contracts where necessary and ensuring that terms of the contracts are being abided by. There also will be a more aggressive effort to solicit a greater number of respondents to RFPs that might offer better terms. It is anticipated that this review will enable the County to reduce its annual contractual services costs.

Implementation:
The County can pursue this initiative on its own and does not require any outside aprovals. The team will develop new procedures that will enable departments to streamline their expenses in time for the beginning of 2007

Milestone	Original Date	Revised Date	Date Achieved
Create Study Group	11/05		
Review Current Policies	03/06		
Make Recommendations	06/06		
Begin Implementation	09/06		

Fiscal Impact Methodology
Assuming a 2.5% reduction on non-HHS contractual services spending (and excluding several other departments), OMB estimates the County could generate $1 million in expenditure savings from this initiative.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Fee Increases
Source: May 2003 Update
Owner: Mark Young
Department: OMB
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$2,100,000	$3,600,000	$5,600,000
Revised	$0	$2,100,000	$3,600,000	$5,600,000

Description:

In June 2005, OMB released a revenue manual that summarized the County's major and minor revenue sources. Its purpose is to serve as the central repository of information related to all sources of revenues for the County, legislative authority and changes in fee rates. The collection of this information assists the County to develop options to increase existing fees. In 2005, the County increased various fees that were estimated to yield approximately $4 million. The FY 2006 Proposed budget does not include fee increases; the County resolved not to increase fees until 2007.

Implementation:

A Revenue Manual was produced in June 2005. An updated version will also be published in 2006 with more information, which will make the identification of new fee increases easier. Fees are not being increased until 2007 and it is estimated, it will yield incremental revenue in the amount of $2.1 million.

Milestone	Original Date	Revised Date	Date Achieved
Complete 2006 Revenue Manual version	1/06		
Propose Fee Increases, effective 2007	9/06		
Legislative Adoption	10/06		

Fiscal Impact Methodology

The impact on each department will be determined by the actual fees changed.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Grant Funds Reimbursement
Source: 2006-09 MYP
Owner: Martha H. Wong
Department: OMB
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$2,000,000	$2,000,000	$2,000,000
Revised	$0	$2,000,000	$2,000,000	$2,000,000

Description:

This initiative captures the value of unreimbursed indirect and fringe costs, as the County doesn't maximize reimbursable costs. Nassau County is improving the management of its grants fund by providing more transparency to the process. In 2005 a Grants Reform Committee was formed to improve the tracking and accounting for grants. The goals of the committee are to improve how the County collects and reports information about grants; improve its monitoring for fiscal and performance compliance; improve the efficiency of how grants are processed. The committee will develop consistent policies and procedures for all grant related processes, including training on improved tracking and financial reporting.

Implementation:

Develop a Grants Plan for all grants beginning in 2006. Follow with the reconciliation of all Grants in the County's financial system NIFS. Develop a policies and procedures manual.

Milestone	Original Date	Revised Date	Date Achieved
Develop Grants Plan for 2006	9/05		9/05
Identify Reimbursement Opportunities	3/06		

Fiscal Impact Methodology

The value of all grants appropriations is approximately $100 million. The County estimates that at least 2 percent will be able to be recovered in indirect costs (as prescribed on the A-87 circular) as well as other direct costs and fringes.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET
As of September 15, 2005

STATUS 3

Initiative: State Reimbursement for Police Training
Source: 2006-09 MYP
Owner: Mark Young
Department: OMB
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$1,500,000	$1,500,000	$1,500,000
Revised	$0	$1,500,000	$1,500,000	$1,500,000

Description:
The County is currently in the process of exploring whether it would be beneficial to offer all police officer training through Nassau Community College. Several other counties in the State already have such arrangements with their local community colleges and receive State reimbursement. Police Department personnel would provide instruction through an affilaition agreement with the College. The Colleg would receive State reimbursement and share it with the County.

Implementation:
OMB, the Police Department and Community College and are in the process of drafting a project plan for review by the County Attorney's Office and State. Upon approval, a specific project plan will be developed by the Fall to ensure that the program will be in place forthe first 2007 class.

Milestone	Original Date	Revised Date	Date Achieved
Draft Initial Project Plan	01/06		
Secure required Approvals	06/06		
Begin Program	01/07		

Fiscal Impact Methodology
Assuming 40 hours of training per cadet per week and a five week program, each cadet willr eceive 800 hours of training. Assuming 100 cadets going through the Academy each year, this translates into 80,000 hours per year. Translating instruction time into FTE students, and assuming 15 hours equals 1 credit, one arrive at the equivalent of 178 FTEs. State reimbursement of $2,350 per FTE would result in $418,300 in State aid per 100-member class. Reimbursement also would be sought for ongoing training received by veteran officers throughout the year.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

BUDGET & FINANCE

2006 MULTI-YEAR PLAN INITIATIVE MONITORING SHEET

As of September 15, 2005

STATUS 3

Initiative: Tax Certiorari Settlement Reform
Source: May 2003 MYP Update
Owner: Glenn Borin
Department: Assessment Review Commission
Vertical: Budget & Finance

Projection	FY06	FY07	FY08	FY09
Original	$0	$500,000	$500,000	$500,000
Revised	$0	$500,000	$500,000	$500,000

Description:

Currently, after ARC settles an assessment claim, the taxpayer's attorney secures a court order. During that time, interest on the taxes to be refunded accrues at a rate of 4.5%. Interest again accrues from the time the taxpayer demands payment from the Treasurer, based on a completed application and judgment, until the time of payment. Reform legislation, which was enacted in August 2002, allows ARC to resolve pending challenges in a single administrative action and makes its determinations equivalent to a judgment. ARC proposes to transmit its determinations directly to the Treasurer with all required documents and data. ARC and the Treasurer can reduce the portion of the post-settlement time during which interest runs by four months, producing $500,000 in savings.

Implementation:

The new procedures will be developed with the assistance of an IT consultant. An RFP was recently issued and proposals have been received. ARC is currently reviewing the proposals and will be making a determination within a few months.

Milestone	Original Date	Revised Date	Date Achieved

Fiscal Impact Methodology

The savings is based upon an interest rate of 4.5% for an estimated principal of $33,850,000 to be paid out in the year 2006.

2006 Budget Savings

FY06	Q1	Q2	Q3	Q4	Total
Original Projection	$0	$0	$0	$0	$0
Revised Projection	$0	$0	$0	$0	$0
Actual Savings	$0	$0	$0	$0	$0

Key Performance Indicators

FY06	Q1	Q2	Q3	Q4	
Original Projection	0	0	0	0	0
Revised Projection	0	0	0	0	0
Actual	0	0	0	0	0

ASSESSMENT AND

ASSESSMENT REVIEW REFORM

OVERVIEW

The County is responsible for assessing real property for tax purposes. State law makes it responsible for refunds generated by assessment challenges, including refunds of school and town taxes, which are about 80% of the total. During the five-year period ending in 2001 the County paid an average of $110 million per year for real estate tax refunds and cancellations. The entire amount was financed with long-term debt despite the annual recurring nature of the expense. The outstanding debt issued for this purpose exceeds $1.4 billion. The NIFA Act strongly encourages the elimination of borrowing for tax refunds after 2005 except for transitional amounts of $15 million in 2006 and $10 million in 2007.

The Multi-Year Financial Plan indicates that the County will finance its tax refund payments with operating funds beginning in 2006. The County anticipates needing $50 million annually to satisfy its refund obligations on a pay-as-you-go basis. Additionally, the County will utilize its limited transitional borrowing authority during 2006 and 2007 to make refund payments.

The Plan published in September 2004 describes the County's approach, assumptions and projections in detail. The actual experience to date has been consistent with the Plan's projections. The following pages summarize the previously published material and brings it up to date.

Strategy: Control new tax refund liability; accelerate resolution of old liability

Since 2002, the County has introduced major reforms in the assessment and review process:

- Annual updates of the assessment roll by the Board of Assessors.
- Corrections of final assessments by the Assessment Review Commission (ARC).
- A one-year review period for ARC to correct assessments without generating refunds.
- A streamlined settlement program at ARC covering all open years and all types of property.
- Creation of a County appraisal staff and valuation plant – data and systems.

Each of these major innovations has already produced positive results, which, in combination, are sufficient to achieve the Plan's goal to bring refund expense below $51 million in 2006. During the 2005, the County put in place an additional process to effectively "guarantee" that the reduction of the liability backlog will meet the Plan's target:

- ARC unilateral refund determinations to buy down pending claims by December 31, 2005.

The County's plan to bring the refund expense in line with its ability to pay includes mutually reinforcing reforms that control the *new liability* for refunds added by each annual tax roll and pay down future expenses by a one-time pay off of the *old liability* for pending claims.

New liability is the County's projected future expense for tax refunds and interest generated by the newly issued assessment roll. New liability consists of both residential and commercial assessment challenges.

Every year the Board of Assessors publishes a new tentative assessment roll; it is subject to correction by ARC prior to being made a final assessment and tax roll, which is the basis for school, town and county tax bills. After ARC completes its initial review the assessments are subject to challenge in judicial proceedings. These challenges, if viable, generate future refund liability.

The County is addressing the problem of new liability through annual revaluations producing incrementally more accurate rolls each year and by appropriate corrections of the tentative assessment roll by ARC.

The interaction of pre-existing State law and the annual update policy results in significant numbers of commercial properties with transition assessments on the rolls for 2005-06 and following years. *Transition assessments, which phase in assessment increases over five years, substantially reduce the refund expense associated with assessment corrections.*

As the rolls become more accurate and ARC assumes the burden of resolving easily discovered errors, the County is able to more effectively focus the resources needed to defend accurate assessments in court. The Department of Assessment has created an internal Small Claims defense unit that appears on the County's behalf at hearings. The County Attorney's Tax Certiorari Bureau has obtained a number of strategically important decisions and will increasingly focus on defense rather than routine settlements. Both efforts are supported by a more effective use of outside appraisal experts at a reduced cost for contractual services.

Old liability is the accumulation of viable claims for assessment reductions from past rolls that have not been adjudicated or settled. Old liability is almost entirely made up of commercial cases.

The County is addressing the problem of old liability through an accelerated rate of resolution of meritorious claims while maintaining adequate controls on the accuracy and integrity of the review process.

In order to take full advantage of the expiring bonding capacity, the County will pay refunds in calendar year 2005 based on valid claims without final settlement.

The structural changes required for these programs are in place although they require further investments of County resources to increase their efficiency and effectiveness and to assure their durability for the long term.

REFORMS ARE PRODUCING RESULTS

The County continuously monitors the outcome of the reforms put in place and is developing new improved reporting tools. The data available now indicate that the reforms are achieving their objectives and that results to date are consistent with the current Plan's projections.

ARC roll corrections

A major component of the program for reducing *new liability* — ARC corrections on the final assessment roll — has achieved results at the level of projections. For the most recent tax year ARC roll corrections removed more than $77 million in future refund liability from the roll before the tax bills were issued. More than half of the reduced amount involved reductions made pursuant to stipulations that finally resolved the assessment challenge.

The impact of these roll corrections on future refunds may be illustrated by assuming that future rolls will generate liability equal to the average payout from 1997-2001 of $110 million:

Illustrative Application of Tax Corrections to a Single Roll Year (tax savings in $ millions)

Roll corrections	78
Refunds	+50
Total tax corrections	128
New liability	-110
Backlog reduction	18

However, the County expects both total new liability and the need for roll corrections to decline. Improved annual assessments, transition assessments and better defense of accurate assessments will more than offset the growth generated by school budget inflation. Annual new liability will be less than $110 million allowing the County to further reduce its backlog while maintaining a stable budget for refund expense.

The County projects that the annual new liability, net of ARC roll reductions, will be less than $65 million for the 2005-06 tax year claims and will continue to decline and fall below $50 million before 2008.

Although ARC has always been authorized by State law to correct the final roll unilaterally or by stipulation, it only began actively to use this authority in 2002. State legislation requested by the County, which was secured with strong support from NIFA now allows ARC a full year to act on roll before the taxes are billed. Since 2002, the cumulative tax refunds avoided by these actions have totaled $207 million.

Roll Reductions by ARC for 2005-06: Plan and Actual (tax savings in $ millions)

	Plan	Actual
Commercial	36	40
Residential	18	38
Total	54	78

Improving the quality of the tentative assessment rolls – annual updates

The other major anticipated source of reduced new liability is improved assessment quality. The initial revaluation in 2003 clearly improved assessment quality by replacing 1986 commercial values and 1938 residential values with estimates bases on current market conditions. In the residential sector, as anticipated, the tax shifts generated additional challenges by homeowners. Also, as anticipated, the initial commercial valuations included some significant over and under assessments. However, the overall quality of the revaluation was less than anticipated. The current Plan has been adjusted to recognize the actual results of the revaluation and first update.

The problems with the initial revaluation imposed additional debt requirements within the limits provided by the NIFA Act but do not threaten the County's ability to eliminate borrowing as scheduled. One reason is a major difference between the 2003 revaluation and the flawed commercial revaluation of 1986. The latter was a one-shot effort with no provision for fixing its errors other than the clearly inadequate and expensive litigation process. The 2003 revaluation was made with a commitment and plan for annual updates.

The first annual update, completed before the term of the current Chairman of the Board of Assessors, substantially improved the quality of the residential values. The second update, completed in 2005, shows further improvement in the residential and commercial sectors. One indication of assessment quality for residential property is a comparison between the Assessors' estimated values and sales prices for homes sold in the period immediately preceding the publication of the roll.

Residential Assessment/Sale Ratios (% of stated level of assessment)

Pre revaluation	2%
2003 Initial revaluation	88%
2005 Update	96%
2006 Update	100%

The State Office of Real Property Services has approved the revaluation pursuant to its procedures, which include application of statistical tests recommended by the International Association of Assessing Officers. In respect to the commercial revaluation, the State monitors found that the County's estimated market values were within the 5% tolerance of actual market values allowed by their procedures.

The Plan's projection of steady improvements with each successive update is consistent with the reasonable expectations of the Department of Assessment

Transition assessments and class one assessment caps

The assessment changes for commercial property on the 2006-07 tentative assessment roll are consistent with the Plan's projection for savings from transition assessments. The Department of Assessment has substantially increased many assessments on that roll to follow market growth and correct under assessments of some properties in the initial revaluation. These increases are phased in over five years. If the increases are found to be excessive on review, any reduction will generate refunds for only the portion of the increase that had been phased in and billed at the time of the correction.

One measure of the impact of transition assessments can be tracked by comparing the taxable and total assessed values of commercial properties. The portion not taxed increased from 2.5% to 9.5% from the 2004-05 roll to the 2005-06 roll. But this measure greatly understates the impact of transition assessments. Often, the most recent assessment increase will be only 20% taxable. It is usually this recent increase that is affected by assessment corrections on review. If the correction is made by refund, the expense will be one-fifth the comparable expense that would occur without transition assessments.

The 2007-08 roll will include a substantial number of residential properties that have assessments capped at 6% above the 2006-07 assessment. Like transition assessments for commercial properties, these caps reduce the County's refund liability exposure.

Defense in court

The County's strategy places primary reliance on improving the accuracy of assessments and resolving errors quickly and inexpensively through administrative actions. But a secondary effort is required to assure the success of these measures: Effective defense of accurate assessments. The County Attorney's Tax Certiorari Bureau has the primary responsibility for both commercial and residential assessment defense although it delegates the defense of values in Small Claims cases to the Department of Assessment.

The Assessment Review Commission provides support for both of these defense activities by making availability the data that it acquires during the administrative review process and the expertise of its 24-member professional appraisal staff – the largest appraisal organization on Long Island. In addition, the ARC appraisers assist in the procurement and review of appraisals from independent experts for presentation at trials and hearings.

Although only a handful of commercial valuation cases are tried each year — a fact that is unlikely to change — the County has faired well in the cases that were tried, in contrast to past years when most valuation trials resulted in substantial awards. In several recent cases the awards were much smaller than the last position of the petitioner in settlement negotiations.

A shopping center case resulted in the court recognizing the improved value of real estate in recent years and resulting decline in equity yields. A cooperative apartment case produced a result that limits the impact of rent regulation on value to units that are actually restricted.

Most recently, decisions in two golf course case validated a portion of the increased value found by the revaluation consultants and set a pattern for resolving these difficult to value properties. In anticipation of the court's decisions, ARC reduced the values of most courses on the 2005-06 roll, thereby substantially mitigating the County's refund liability if, as expected, the decision is used as a pattern for settling the remaining golf course cases.

In the Small Claims part, the County's first step was to take a more active role in supervising the defense at hearing by contract appraisers and moving the settlement process to ARC and out of the courtroom. Since then the County Assessment Department began hiring a staff who have assumed responsibility for defense in court underway with staff hired in the past year. Additional staff hiring is possible based on civil service lists promulgated in late August.

The proportion of cases reduced at hearing is less than in past years. The County expects a gradual improvement in the success rate at hearing as the quality of the assessments and the defense improve. However, inadequacies in the Small Claims program itself may frustrate the County's efforts to some extent. The County Administration joins with the Chairman of the Board of Assessors in calling for improvements in the selection, training and supervision of Small Claims hearing officers.

Buying down the backlog through expedited settlements

Rising real estate values in recent years help curtail the County's liability for assessment errors unlike the situation of the early 1990s when a real estate market crash pushed liability to historically high levels. The County is paying out more in settlements than at any time since 1995 even though the accrual of new liability is much less than it was in that prior period. The net result is a reduction of the accumulated backlog and reduction of future payment obligations.

Total payments of refunds and cancellations in 2004 reached $185 million, the greatest amount ever paid in a single year. Refunds in commercial cases increased 47% over the prior year and 73% over two years. Payments are made more quickly now and the average age of cases settled has declined. Interest as a percentage of the total payments declined, while cancellations, which incur no interest, constituted 9% of the total payments.

The County has analyzed all of the major properties with pending claims and made efforts to settle any that appear viable. In 2004 and 2005, the County resolved a number of major cases that had accumulated several years of outstanding claims. These included settlements involving most of the separately assessed department stores, the Belmont race track, the Grumman industrial buildings and several large utility company facilities. In order to resolve these major cases the County has, in some cases, aggressively pursued the matter in reverse of the usual dynamic in litigation where the claimant sets the pace. Most other large properties with pending claims have been investigated carefully and found to present minimal refund liability risk.

Refunds and cancellations paid in 2004: Plan and Actual ($ millions)

	Plan	Actual
Commercial	123	134
Residential	25	32
Cancellations	14	18
Petitions	1	2
Total	162	185

As a result of these record payments and moderate levels of new liability, the accumulated deficit for tax refund liability is less now then it has been in more than a decade. The Comptroller valued the backlog at approximately $311 million as of December 2004. When measured on a consistent basis, the change from December 2003 is a reduction of $77 million in net liability.

Unlike earlier estimates the current valuation for financial statement purposes includes liability in Small Claims cases and refunds and cancellations for commercial cases settled but not yet paid. For the 2004 estimate, these categories account for at least $75 million. Removing these short-term liabilities leaves $236 million for unresolved claims. The County Administration believes that the conservative estimation methods used likely overstate this amount and will pursue efforts to better refine the analysis. However, even if this value is accepted, it represents major progress since the inception of NIFA when estimates of the unresolved, long-term backlog were $400 million or more.

The unique planning required for 2005: unilateral refunds

Although the recent past efforts have greatly reduced the backlog of old claims that will be eventually be paid as refunds, the Plan calls for reducing the level still further. Using the estimate adopted by the Comptroller for the financial statement as a baseline, the Plan calls for an additional reduction in net liability equal to the reduction achieved in 2004.

In order to meet the Plan's goals, an extraordinary effort is required during 2005 to assure that the increased level of backlog resolution continues and, most importantly, that the resulting refunds are actually *paid* by December 2005, removing identified liabilities from the County's books.

The importance of prompt payment relates to the provisions of the NIFA Act, which permit continuation of debt financing of refunds for payments made through 2005 but which severely restrict both NIFA's borrowing authority and the County's budget discretion to use borrowed funds for tax refunds paid in 2006 and thereafter.

The Plan's success depends on the County's ability to make maximum use of the last of the funds that the County has requested that NIFA borrow for tax refund purposes and to transition from debt financing in 2005 to pay-as-you go budgeting of tax refunds in 2006.

The County has already undertaken steps to meet the goal:

An acceleration of settlement efforts by ARC, which involve reviewing every commercial property with pending assessment challenges during the course of the year.

A streamlined settlement documentation procedure at ARC that eliminates the need for ministerial actions by the Court system and County Clerk.

The application of ARC's streamlined settlement process to matters negotiated by the County Attorney in the last three quarters of 2005.

Speeding the payment of settlements for both commercial and Small Claims cases by changing procedures at the Treasurer's office.

Devoting additional staff to the settlement and payment processes at ARC and the Treasurer's office.

Implementation of technology solutions to make ARC operations more efficient.

Although these measures helped achieve the high level of payments in 2004 and are further expediting payments now, they are not sufficient in themselves to guarantee the required level of liability reduction. The limitation is the time needed to achieve agreement with the taxpayers' attorneys and the time required by those attorneys to gather and submit the documents required to implement a settlement. The attorneys may have no incentive to meet the County's timetable.

In order to guarantee a sufficient reduction in the liability backlog, the County will implement a program of paying refunds without settlements in 2005. This process, which is authorized by the 2002 state ARC reform legislation, will be similar to the unilateral reductions granted on the final roll, which have avoided more than $207 million in future refunds since 2002.

Unilateral refund process

The necessary procedures have been developed by a group of County departments and will be implemented the last quarter of 2005.

ARC has continued its review of every challenged assessment. ARC is continuing to make determinations pursuant to its usual procedures and, when time allows, propose them as offers of settlement. All determinations reducing assessments respond to viable proceedings for judicial review and are based on a detailed analysis by ARC's professional appraisers.

Offers that have expired after 60 days and, later in the year, determinations that were not proposed as offers may be designated as unilateral refund determinations.

ARC will publish its determinations in the usual manner by circulating copies to the attorney currently representing the taxpayer and the Board of Assessors. It will also make the determinations available to the public by posting them on the County website.

Where the determination results in a tax liability reduction, the Treasurer's office will calculate the overpayment and the refund due with interest at the stipulated rate from the date the tax was paid.

The Treasurer will deposit the refund in a segregated escrow account in trust for the person entitled to the refund. The County will deem the claim paid at this point as it will have irrevocably designated the funds for payment of the specific claim.

The custodian bank will maintain a record of deposits associated with specific properties and tax years and will allocate any interest earned to each deposit accordingly. The escrow agreement will preclude any withdrawal of the funds by the County. The County's role will be limited to directing payment to the appropriate taxpayer.

Attorneys representing taxpayers will be invited to request release of the escrowed funds specific to the claims that they have brought on behalf of the property owners. The release application will contain the same type of indemnification of the County against duplicate claims as is found in the standard settlement documents but, unlike those documents, will not waive the right to continue the proceeding for purposes of obtaining a further reduction of the assessment.

ARC will review and approve release applications and forward them to the Treasurer's office, which will instruct the custodian bank to pay the taxpayer's attorney directly. The payment will consist of the original deposit of principal and interest and additional interest earned from the date of deposit to the date of payment. The attorney will disburse the funds to the appropriate taxpayers in the same manner as settlement proceeds.

The custodian bank will provide the County with records of the actual disbursements and will provide the payees and the Internal Revenue Service with tax reporting documents.

It is anticipated that the great preponderance of the funds deposited will be released within a few months based on applications by attorneys for taxpayers. Any funds left on deposit after the termination of the underlying or ancillary litigation will escheat to the State at the end of the statutory period of five years. However, before this occurs other methods of payment may be provided:

> After a suitable period of time elapses without application by the current attorney of record, the County would permit other persons entitled to the refund – such as the taxpayer or a former attorney – to apply for the refund after providing proof of entitlement and setting aside funds to satisfy any attorneys' liens.
>
> If the case is adjudicated by the court, the County will instruct the custodian bank to pay the amount on deposit in partial liquidation of the resulting judgment. In the event that the award is less than the balance, the funds would be left on deposit for eventual escheatment to the state.
>
> If the overpayment involves taxes due to the County in its role of guarantor of tax arrears, the County may commence enforcement litigation to secure application of the excess taxes to the arrears.

The payment of the claim will not in itself end the underlying proceeding. A large portion of these proceedings will be eventually discontinued or abandoned. Others will be settled for an additional reduction. The refund of both principal and interest paid in connection with any such settlement would be reduced to the extent of any prior refund made from the escrow account, and there would be no further accrual of interest on the excess taxes previously refunded. In a handful of cases the taxpayer may pursue a further reduction by taking the case to trial where, as in the case of settlement, any prior refund would offset the cost of the judgment.

BACKLOG REDUCTION AND STABILIZATION

Meeting the Plan's target for refund payout will bring the estimated backlog of valid claims to less than $200 million by year-end. This estimate is based on the County Comptroller's statement of the value of pending claims as of December 2004, adjusted for the addition of refund liability for assessment challenges for the 2005-06 tax year:

Estimated backlog reduction ($ millions)

Estimated backlog (12/31/04)	311
Planned payout	− 187
Estimated new liability	+ 65
Estimated backlog (12/31/05)	189

The backlog of claims as of the end of 2004 is believed to be less than at any time since the 1986 commercial revaluation. The actions in 2005, even when counter-balanced by liability for new claims will shrink that already reduced backlog by almost half.

Although the initial revaluation in 2003 introduced some uncertainty, each succeeding year has produced a more refined estimate of liability for outstanding claims. This process continues and may allow the County to further narrow its estimate.

The backlog is never zero: All assessment systems generate errors and claims. As proceedings are filed in April for taxes due in the following year, the most recent claims are always backlogged on December 31, even if the claims have been adjudicated by that date. Further, a portion of commercial claims necessarily carry over for more than one year if the owners choose to litigate rather than resolve the cases at ARC.

The County's goal is to achieve a stable or declining backlog that is consistent with a projected payout of $50 million annually. The County estimates that its goal can be achieved if the starting backlog as of January 2006 is $235 million or less. If the Plan's goals are met and new liability for 2005-06 claims is within the projections, the County will start the year with a backlog 20% below that ceiling.

Monitoring the Plan against actual performance

In 2004 the County exceeded its Plan for refunds paid by $23 million through an active settlement policy, streamlined processes and close monitoring of weekly results. The payout planned for 2005, as most recently revised, is almost the same as the actual payout for 2004, but is more than sufficient to complete the County's backlog reduction goals. The payout to date is on track for meeting the year-end targets.

Refunds and cancellations anticipated in 2005: Plan and Actual ($ millions)

	Plan (9/04)	Revised (9/05)	Actual (8/31/05)
Commercial	139	139	84.9
Residential	47	27	14.6
Cancellations	15	20	9.9
Petitions	1	1	0.7
Total	201	187	110.0

This table illustrates the anticipated payout of refund liability in 2005, including irrevocable deposits into escrow, and the actual payout for the year to date.

The residential payout can be predicted accurately now, as most of the cases have already been settled or adjudicated. Most of the refunds are paid during the last four months of the year when the tax warrants for both school and general taxes have been returned by the towns. The reduction in anticipated payout reflects faster than anticipated payments in 2004, reduced interest expense and a greater portion being implemented by corrected tax bills. The reduced target has no adverse impact on the backlog going into 2006.

Cancellations of general taxes, accounting for approximately half of the total, are paid after October 1. The Plan's estimate is revised to reflect the greater portion of assessment reductions implemented by corrected tax bills, which generate cancellations of tax.

The Plan continues to target a payout of $139 million for commercial refunds, which is $54 million more than the payout as of the end of August. ARC has already identified approximately this amount of proposed refunds, mostly in outstanding settlement offers. With the availability of the Refunds without Settlement mechanism from October through the end of the year, it is anticipated that nearly all of these projected refunds will be processed and paid.

ARC will continue to make determinations through the end of the year that will result in additional refunds. Therefore, it is possible that the total refund paid in commercial cases will exceed the Plan's target, which would further reduce the backlog going into 2006.

CONCLUSION

Although some cases will always go to litigation and generate refunds, the amount required to pay these refunds will not be fueled by a legacy of unpaid claims for patent over assessments on past rolls. During 2005 the extent to which such claims still exist will have been thoroughly surveyed and, as appropriate, paid down by settlement or unilateral refunds.

In 2006 and beyond, the County will pay real estate tax refunds from its operating budget. The anticipated average annual expense is less than $51 million. The County will continuously improve assessment accuracy with annual updates and vigorously defend accurate assessments that are challenged in court. Through ARC, the County will monitor the potential liability created by each new roll and prevent the major portion from becoming an actual liability through timely settlements and unilateral corrections of the roll.

SEWER AND STORM WATER FINANCE AUTHORITY

In September 2003, the County, with NIFA support, reached a bipartisan agreement with officials in Albany. The resulting legislation was unanimously endorsed in a home rule message by the County Legislature and signed by the Governor. The legislation created the Nassau County Sewer and Storm Water Finance Authority and a consolidated County-wide Sewer and Storm Water Resource District.

Sewer and Storm Water Finance Authority

The Authority will be solely a finance authority. It is empowered to finance or refinance sewer and storm water projects within a $350 million cap, and to take title to sewer or storm water properties as part of its financing mission. The Authority may not take title to the land devoted to sewer or storm water purposes; this restriction is designed to ensure that the Authority will not be used to sell land that is environmentally desirable, such as sumps.

The Authority will restructure sewer debt issued through the Environmental Facilities Corporation, matching the debt to the sewer assets' useful lives. The Authority will also take over the responsibility for paying debt related to storm water projects which were previously carried in the general fund. In the future, as the County takes on new sewer or storm water capital projects, the debt will be issued through the Authority to the extent permitted under the cap.

Sewer and Storm Water Resource District

The County-wide Sewer and Storm Water Resource District created by the legislation abolishes the existing patchwork of 27 collection and three disposal districts. In their place, the legislation creates a single County-wide District with responsibility for sewer and storm water services.

Rate Payer Stabilization Program

Although the single District comes into being immediately, the bill smoothes out the transition to a uniform tax rate for services. Through 2007, taxpayers will be assessed sewer taxes at the 2003 level and, since no storm water tax existed in 2003, none will be assessed until after 2007. Between 2007 and 2014, the bill requires that the County transition to a system of three taxes: one zone of assessment that is County-wide for storm water services, one zone of assessment for sewage collection and sewage disposal, and one zone of assessment for sewage disposal only. The boundaries of the zones, and any intermediate zones, have been set by the County Legislature.

The legislation also provides that the prior districts' fund balance will move to the Authority, as required to pay for capital needs, debt service, and reserves. The fund balance remaining is required to be devoted to the ratepayer stabilization program and therefore is budgeted within the District.

Below is the schedule.

MYP DEBT RESTRUCTURING AND CASH RESERVE ASSUMPTIONS

The Authority and the District are expected to end 2005 with combined reserves of approximately $110 million. The expected balances are enough to meet the Legislation's goals of keeping the levy flat through the rate stabilization period without further debt restructuring. The Authority and the District are constantly evaluating options as to the funding of the District's capital and operational needs and may change its restructuring program in the future.

Nassau County Sewer and Storm Water Finance Authority
and
Nassau County Sewer and Storm Water Resource District
2006 – 2009 Multi-Year Plan Cash Flow Projection

Period Ending:	2006	2007	2008	2009
Sewer and Storm Water Finance Authority				
Opening Cash Balance				
Receipts				
Opening Fund Balance	39,322,616	7,000,000	0	0
Total Tax Levy	138,932,309	138,932,309	152,374,227	173,817,974
Total Receipts	**178,254,925**	**145,932,309**	**152,374,227**	**173,817,974**
Expenditures				
Total Debt Service	8,545,413	9,753,341	10,389,254	10,596,724
Professional Expenses	500,000	500,000	500,000	500,000
Total Expenditures	**9,045,413**	**10,253,341**	**10,889,254**	**11,096,724**
Transfer to District	**162,209,512**	**135,678,969**	**141,484,973**	**162,721,250**
Deposit to RSRF	**7,000,000**	**0**	**0**	**0**
Total Expenses	**178,254,925**	**145,932,309**	**152,374,227**	**173,817,974**
Rate Stabilization Fund				
Ending Balance	7,000,000	0	0	0
Sewer & Storm Water Resource District				
Opening Cash/Reserve Balance	68,433,159	79,289,190	54,954,516	37,173,979
Receipts				
Total Non-Tax Sources of Revenues	3,815,082	3,858,002	3,901,404	3,945,295
Transfer From Authority /County	163,745,612	135,678,969	141,484,973	162,721,250
Total Receipts	**235,993,853**	**218,826,160**	**200,340,894**	**203,840,524**
Expenditures				
Total Other Expenses and Personnel	82,215,059	84,770,096	87,450,656	90,264,549
Total Debt Service	46,676,746	49,752,591	47,756,484	42,107,821
Total Expenditures	**128,891,805**	**134,522,687**	**135,207,140**	**132,372,369**
Transfers To/(From)				
District Reserves	79,289,190	54,954,516	37,173,979	43,325,052
Nassau County	27,812,858	27,812,858	27,959,776	28,143,102
Total Transfers	**107,102,048**	**82,767,374**	**65,133,755**	**71,468,154**
Total Disbursements	**235,993,853**	**217,290,060**	**200,340,894**	**203,840,524**
Reserve Balances				
General Reserve	53,159,611	28,123,450	9,609,339	14,992,792
O&M Reserve	26,129,579	26,831,066	27,564,640	28,332,260

FINANCIAL POLICIES

FUND BALANCE AND RESERVE POLICY
NASSAU COUNTY, NEW YORK
SEPTEMBER 15, 2005

INTRODUCTION

The use of financial policies to guide governmental operations is important for a number of reasons. Financial policies help to institutionalize sound fiscal management. They establish parameters for the operation of government, encourage continuity between administrations, promote stability in budgeting, and enhance accountability to the public.[2] With its troubled fiscal past, Nassau County suffered from an absence of clear and broadly accepted guidelines for financial management and long-term planning.

The Government Finance Officers Association ("GFOA"), the National Advisory Council on State and Local Government Budgeting ("NACSLGB"), and the three major credit rating agencies all recommend that governments adopt and adhere to an array of financial policies. One of the most important policies to enact is a policy governing fund balance and reserves.

Drawing from these recommendations, the Nassau County fund balance and reserve policy ("Policy") provides a framework for the accumulation of unreserved fund balance, the constitution of reserve funds, and the policy purposes for which the County ought to use these financial resources. The Policy provides this guidance in a manner that takes into account both the County's fund structure as well as the restrictions on the accumulation of surplus monies included in various tax certificates relating to bonds issued by or on behalf of the County. Such restrictions arose in connection with the County's historic reliance on the issuance of working capital debt to finance the payment of property tax refunds, court-imposed judgments, and the settlement of legal claims.

WHAT IS FUND BALANCE?[3]

Nassau County's financial statements are compiled in accordance with Generally Accepted Accounting Principles and, specifically, with the requirements of Government Accounting Standards Board Statement Number 34 ("GASB 34").

GASB 34 requires the production of two types of financial statements: government-wide financial statements and fund financial statements.

Government-wide financial statements provide information about the County as a whole using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus looks at the transactions and events that have increased or decreased the total economic resources of the government as a hole during the accounting period being reported. The accrual basis of accounting requires revenues to be recognized as soon as they are earned, regardless of the timing

[2] Shayne Kavanagh and Wright Anderson Williams, *Financial Policies: Design and Implementation* (Chicago, Illinois: Government Finance Officers Association, 2004), p. 1-3.

[3] This section is excerpted from the Management Discussion and Analysis included in Nassau County's *Comprehensive Annual Financial Report of the Comptroller for the Fiscal Years Ended December 31, 2004 and December 31, 2003*.

of related inflows of cash, and it requires expenses to be recognized as soon as liabilities are incurred, regardless of the timing of related outflows of cash. These statements present a long-term view of the County's finances.

Fund financial statements focus on individual parts of the County government, reporting on the County's operations in more detail that the government-wide statements. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending on particular programs. The fund financial statements employ the current financial resources measurement focus and are presented using the modified-accrual basis of accounting. The current financial resources measurement focus requires the fund financial statements to report near-term inflows and outflows of financial resources. To achieve this objective, the application of the accrual basis of accounting must be modified so that the fund financial statements report only those transactions and events that affect inflows and outflows of financial resources in the near future.

There are two governmental fund statements: the balance sheet and the statement of revenues, expenditures, and changes in fund balance. These statements demonstrate how general governmental services were financed in the short term as well as what money remains for future spending. Governmental fund statements present the government's current financial resources (which include its cash and assets that will become cash in the next year) and the current liabilities that these assets will be used to retire. In governmental fund statements, where the current financial resource measurement focus is used, the difference between the assets and liabilities of a fund is called *fund balance*.

RESERVED AND UNRESERVED FUND BALANCE

Governmental fund financial statements separate fund balance into two categories: reserved fund balance and unreserved fund balance.[4]

Reserved fund balance captures those financial assets that are not available to the government to spend in the subsequent year's budget, such as long-term receivables, encumbered contracts and purchase orders, resources that have already been spent, such as prepaid expenses, or assets which are legally constrained in their use and, therefore, not available for spending on fund-related purposes.

Unreserved fund balance, in turn, captures all remaining financial resources which are currently available for appropriation into the subsequent year's budget. Unreserved fund balance may either be designated or undesignated. Unreserved fund balance may be designated in a subsequent budget, representing senior management's planned future use, for a particular purpose, of currently available resources. Unreserved, undesignated fund balance represents those currently available resources which are neither reserved nor designated for a particular purpose in the budget for the subsequent fiscal year.

THE DIFFERENCES BETWEEN RESERVED FUND BALANCE AND RESERVE FUNDS

In addition to reserving fund balance, governments may create formal reserve funds. Reserve funds differ from reserved fund balance in two respects. First, reserve funds must be established by a vote of the

[4] Stephen J. Gauthier, *Governmental Accounting, Auditing, and Financial Reporting* (Chicago, Illinois: The Government Finance Officers Association, 2005), p. 50-51.

legislative body, whereas fund balance is reserved as part of the accounting cycle at the close of the fiscal year. Second, in many instances, legislative approval is also needed for use in the budget of monies deposited in formally established reserve funds. No corresponding legislative approval is required for the use of reserved fund balance.

RECOMMENDED LEVELS OF UNRESERVED, UNDESIGNATED FUND BALANCE

The GFOA recommends that governments maintain unreserved fund balance in their general fund between 5% and 15% of normal general fund operating revenues.[5] This Policy will treat normal general fund operating revenues as equivalent to its normal operating expenses.

Maintaining sufficient levels of unreserved fund balance is important for a number of reasons. Unreserved fund balance serves as a source of internal liquidity, helping to smooth out the seasonality of public sector cash flows. Unreserved fund balance also provides unrestricted resources for contingencies, such as unanticipated surges in energy costs, unexpected changes in State or Federal reimbursements, spikes in overtime or termination pay, or the devastating impact of a natural disaster. Governments can use unreserved fund balance to finance selected capital needs or other one-time expenses on a pay-as-you go basis, thereby avoiding long-term interest payments. To the extent that unreserved fund balance is maintained at consistent levels, it is possible for governments to generate additional interest earnings by increasing the duration of their investments. Last, credit rating agencies consider maintaining an appropriate level of unreserved fund balance to be a positive credit factor because doing so better insures the timely and full payment of debt obligations, enhances financial flexibility to handle unforeseen events, and demonstrates the commitment of the government to the principles of sound financial management.

Though the GFOA does not offer any similar recommendations for reserve fund levels, one of the major credit rating agencies has indicated that it considers "reserves, stabilization funds, and rainy day funds" as integral to its analyses of the "financial cushion" available to local governments.[6]

UNIQUE CONSIDERATIONS IN NASSAU COUNTY

An appropriate policy for the accumulation and use of unreserved fund balance in Nassau County must take into account two factors that separate Nassau from comparable governments.

First, Nassau County has five major operating funds: the general fund; the fire prevention fund; the parks, recreation and museum fund; the police headquarters fund; and the police district fund. The fire prevention fund, the parks, recreation, and museum fund, and the police headquarters fund are all special revenue funds which have a County-wide tax base (together the "County-Wide Special Revenue Funds"). The police district fund is also special revenue fund, but its tax base is a subset of the County. Since the County-Wide Special Revenue Funds share the same tax base as the general fund, and since the revenues collected in these funds are not legally restricted in their use, these funds are treated, for budgetary and accounting purposes, as extensions of the general fund. The police district fund is not considered an extension of the general fund, and its revenues are restricted. Calculating the appropriate level of

[5] Kavanagh and Williams, *Financial Policies: Design and Implementation*, p. 77.

[6] Fitch Ratings, *The Bottom Line: Local General Government Reserves and the Policies that Shape Them* (January 26, 2005), p. 1.

unreserved fund balance in Nassau County, therefore, involves looking at the combined normal revenues of the County's general fund and the County-Wide Special Revenue Funds.

Second, Nassau has agreed to monitor and take certain actions with respect to the accumulation of unreserved fund balance in tax certificates that have accompanied the issuance of long-term working capital debt. The County historically has issued considerable long-term working capital debt to finance property tax refund payments as well as payments of legal judgments and settlements. The issuance of long-term debt to finance operating expenses is a poor fiscal practice; the County's over-reliance on debt financing to support its operations was one of the key reasons for the collapse of its credit rating and the imposition of a State oversight board. The County's Multi-Year Financial Plan calls for the transition to pay-as-you-go financing of property tax refunds in 2006 and a gradual introduction of funds in future operating budgets for the payment of judgments and settlements beginning in 2007. However, the County has made representations in various tax certificates associated with previously-issued long-term working capital debt that it expected to have no "available amounts" for a period of years and that it would apply any surplus available amounts to the retirement of outstanding working capital debt, or otherwise with the approval of bond counsel. Pursuant to regulations promulgated by the United States Treasury, available amounts mean any amounts "that are available to an issuer for working capital expenditure purposes of the type financed by an issue." Available amounts include "cash, investments, and other amounts held in accounts or otherwise by the issuer or a related party if those amounts may be used by the issuer for working capital expenditures of the type being financed by an issue without legislative or judicial action and without a legislative, judicial, or contractual requirement that those amounts be reimbursed."[7] The County may treat as "unavailable" – and is therefore allowed to maintain – a "reasonable working capital reserve" equal to 5% of the immediately preceding fiscal year's expenditures paid out of current revenues.[8]

PROPOSED FUND BALANCE AND RESERVE POLICY FOR NASSAU COUNTY

Nassau County's Policy attempts to address the financial needs of the government, the fund balance levels recommended by the GFOA, and the restrictions on the accumulation of surplus "available amounts" to which the County has previously committed in various tax certificates.

Unreserved Fund Balance

The County shall maintain a level of unreserved fund balance of no less than 4% and no more than 5% of normal prior year expenditures made from its general fund and the County-Wide Special Revenue Funds. This level of unreserved fund balance is sufficient in Nassau County given the size of its budget, the relative predictability of its cash flows, and its other sources of internal liquidity. Under the terms of its tax certificates, the County is permitted to maintain a reasonable working capital reserve equal to 5% of the immediately preceding fiscal year's expenditures paid out of current revenues. Unreserved fund balance, provided it does not exceed this threshold, qualifies as a reasonable working capital reserve.

However, to the extent that the County utilizes its unreserved fund balance, its policy shall be to use these funds either for (i) non-recurring expenditures that promote important policy objectives; or (ii)

[7] 26 CFR 1.148-6(d)(3)(iii)(A)
[8] 26 CFR 1.148-6(d)(3)(iii)(B)

extraordinary operating and capital purposes that could not be anticipated and which otherwise cannot be financed with current revenues in the annual operating budget. Such purposes include financing emergency capital repairs, offsetting an unexpected economic downturn, covering an unanticipated or excessive shortfall in revenues or a spike in expenses, or providing necessary resources for emergency situations, such as a terrorist attack or a natural disaster.

Reserve Funds

Nassau County has established a number of formal reserve funds for a variety of important public policy purposes. Each of these reserve funds was created by the County Legislature pursuant to the New York State General Municipal Law ("GML"). The County has established a reserve for the retirement of bonded indebtedness, an employee accrued liability reserve fund, and a pension contribution reserve fund. These reserve funds permit the County to accumulate resources to retire debt or pay debt service, to cover termination payments, particularly for sworn officers, that substantially exceed normal budgetary authority, and to smooth out future increases in contributions to both the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

Additionally, the County has transferred the proceeds that remain from the securitization of its tobacco settlement payments to a trust and agency fund ("Tobacco Trust Fund"). In 1999, Nassau County undertook a tax-exempt working capital securitization of the annual payments made by large tobacco companies. The proceeds from this transaction can be used for certain working capital purposes, particularly health-related working capital purposes, but any expenditures for working capital purposes will be subject to the "gross proceeds last spent" rule promulgated by the United States Treasury.[9] The "gross proceeds last spent" rule provides that proceeds from a tax-exempt financing can be allocated to working capital expenditures only if these expenditures exceed other "available amounts" to cover the shortfall. As with formal reserve funds created under the GML, the County Legislature will have to approve the utilization of the proceeds in the Tobacco Trust Fund in the event that these resources are required by the County to balance future operations. The County's policy shall be to request that the County Legislature approve expenditures from the Tobacco Trust Fund only if the County has demonstrated, in accordance with Treasury regulations, that it will have no available amounts to make such expenditures, in order to ensure that it will comply with the gross-proceeds-spent-last rule.

Importantly, legislative action is required in order to spend either the monies in the reserve funds listed above or in the Tobacco Trust Fund. Because legislative action is required, the money in these funds is treated as unavailable for the purpose of determining whether or not surplus available amounts exist as of the end of a fiscal year. The County, therefore, is not restricted in the amount of money that can be directed to these reserve funds or to the Tobacco Trust Fund.

Nassau County shall maintain a combined level of financial resources in its unreserved fund balance, its reserve funds, and its Tobacco Trust Fund of no less than 5% of normal prior year expenditures made from its general fund and the County-Wide Special Revenue Funds. The County shall target a combined level of 7.5% of normal prior-year expenditures. The resources in the reserve funds and the Tobacco Trust Fund shall be used generally for budget stabilization, but specifically for the purposes identified above.

[9] 26 CFR 1.148-6(d)(3)(i)

Replenishment

In the event that for two successive years, the County's level of unreserved fund balance falls below 4% of normal expenditures made from its general fund and the County-Wide Special Revenue Funds during the prior fiscal year, the County shall replenish its unreserved fund balance by direct appropriation beginning with the next operating budget. In this budget, and in the three subsequent operating budget submissions, the County shall appropriate 25% of the difference between its current level of unreserved fund balance and the minimum amount required under the Policy, such that the minimum level of unreserved fund balance can be attained over a four year period. To the extent that a direct appropriation in this amount is not possible in any particular fiscal year, the County shall appropriate a lesser amount and develop a revised strategy and timeframe for replenishing its unreserved fund balance so as to reach, at a minimum, the 4% threshold.[10]

The Policy does not have a replenishment requirement for the County's reserve funds or its Tobacco Trust Fund.

From time to time, the County will forecast before the official close of its fiscal year that it anticipates generating a year-end positive operating surplus after normal expenses are paid. In these instances, the County should determine first if this operating surplus is needed to insure that its unreserved fund balance does not fall below 4% of anticipated operating expenses. The County should then insure that its unreserved fund balance, reserve funds, and Tobacco Trust Fund, taken together, do not fall below 5% of expected operating expenses. If each of these threshold requirements are satisfied, then the County can direct its projected operating surplus to other important public policy purposes, such as capital improvements, strategic investments, prepayments, transitional expenses, or, due to the unique burden of the County assessment guarantee, the payment of future property tax refunds.

CONCLUSION

Nassau's fund balance and reserve policy draws upon the recommendations of the GFOA, the NACSLGB, and the credit rating agencies, but it outlines an approach to the accumulation and use of unreserved fund balance, reserve funds, and the Tobacco Trust Fund that takes into consideration issues that are specific to Nassau County. Specifically, the Policy is crafted so as to be consistent with the restrictions included in the tax certificates that have accompanied the County's historical issuance of long-term working capital debt. The Policy establishes a floor and a cap for the accumulation of unreserved fund balance. It identifies an array of reserve funds, as well as the Tobacco Trust Fund, that helps the County stabilize its budget and finance important policy objectives. The Policy outlines the conditions under which the County's unreserved fund balance ought to be replenished, and it identifies the uses for its unreserved fund balance, its formally created reserves, its Tobacco Trust Fund, and any projected operating surpluses. When combined with other financial policies and with the Multi-Year Financial Plan, the County's fund balance and reserve policy sets a standard of performance and accountability for this administration, and it institutionalizes sound financial management practices for the future.

[10] Fitch Ratings, *The Bottom Line: Local General Government Reserves and the Policies that Shape Them* (January 26, 2005), p. 2-3. This replenishment strategy is borrowed from the fund balance policy adopted by Howard County, Maryland.

DEBT POLICY
NASSAU COUNTY, NEW YORK
SEPTEMBER 15, 2005

INTRODUCTION

Nassau County has issued a tremendous amount of debt since the mid 1980's. Close to half of this debt was issued to finance working capital and day-to-day operational expenses and not enough was borrowed to finance capital investments in the County. A number of factors contribute to this set of circumstances.

The County is on the road to fiscal recovery and the creation of this debt policy is a key factor in this recovery. Limiting the amount of debt the County has outstanding and the purposes for the issuance of that debt will benefit the long term financial health of the County and help to improve its credit worthiness.

The County has a ten year plan to reduce its outstanding debt, level annual debt service payments, and gradually bring the County's key credit ratios in line with comparable yet higher rated counties. The program seeks to achieve these objectives by reducing and prioritizing general capital borrowing, financing assets and projects with shorter useful lives through the County operating budget, reducing the size of cash flow borrowings through a strengthened cash position, and transitioning to pay-as-you-go financing of property tax refunds beginning in 2006. Starting in 2007, the County intends to include $5 million in PAYGO with increases of approximately $5 million a year in its operating budget to finance judgments and settlements until the County is no longer borrowing for this purpose.

In 2001, debt service expenses in the Major Operating Funds totaled $378.2 million. The Adopted 2006 Budget includes $291.6 million for County and NIFA debt service expenses in the County's Major Operating Funds, and the 2006-2009 proposed Multi-Year Financial Plan estimates that in 2009 the County will have $317.3 million in County and NIFA debt service expenses.

This policy has been based on GFOA and rating agency guidelines as well as debt policies of comparable yet higher rated municipalities. Since the County is in the process of a financial recovery and has a number of unique circumstances, this policy will set guidelines as well as goals for the future. The County's administration has agreed to review and update this policy on an annual basis.

GOALS AND OBJECTIVES

This debt policy and procedures will help ensure that financings undertaken by the County satisfy certain clear and objective standards. These standards seek to protect the County's financial resources which are necessary to meet long-term capital needs. The adoption of clear and comprehensive financial policies enhances the financial management of the County.

This Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the County's specific capital improvement needs, ability to repay financial obligations, and the existing legal, economic, financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

a) To guide the County and its managers in policy and debt issuance decisions
b) To maintain appropriate capital assets for present and future needs
c) To promote sound financial management
d) To protect and enhance the County's credit rating
e) To ensure the legal and prudent use of the County's debt issuance authority
f) To evaluate debt issuance options

PURPOSES FOR WHICH DEBT CAN BE ISSUED

Capital Borrowing: The County shall issue debt for projects identified in its four year capital plan. The capital plan will prioritize general capital borrowing and finance assets and projects with longer useful lives.

Working Capital Borrowing: The County will and transition to pay-as-you-go financing of property tax refunds beginning in 2006, eliminating any future borrowing for tax refund purposes after 2007. Until 2007 the County plans to borrow the following amount for tax certiorari purpose$15 million in 2006, and $10 million in 2007, for a total of $25. Amounts in excess of the total $25 million in 2006 and 2007 will be funded in the County's operating budget.

The County also funds judgments and settlements through bond issues. Currently these judgments and settlements average $35 million per year. The County's ten year debt plan anticipates transitioning $5 million per year to the operating budget starting in 2007. By 2013, all judgments will be funded in the County's operating budget with the exception of an extraordinary judgment or settlement.

An extraordinary judgment or settlement is one in which the type or amount of the judgment or settlement is out of the ordinary. In the event that the judgment or settlement exceeds the budgeted amount $35 million, the county may choose to fund the excess amount of judgments or settlements from bond proceeds.

Cash Flow Borrowing: The County will borrow for cash flow purposes as necessary through out the fiscal year.

DEBT LIMITATIONS/AFFORDABILITY (FOR SIX MAJOR FUNDS)

Debt Service as percent of Expenditures
Goal: The County's tax-supported debt service will not exceed 10 percent of general governmental expenditures within the six major operating funds.

Tax-supported debt service shall include any debt service on general obligation bonds which are not self-supporting from a user fee revenue stream (i.e. water and sewer assessment a self-supporting revenue stream is defined as a revenue stream that provides coverage of all debt service obligations without general fund support. Any long term financing lease obligations which may be subject to annual appropriation by the County will also be included in calculations of tax-supported debt service.

Current Status: Currently the debt service of the County's six major funds is 12.11 percent of budgeted 2006 expenditures. The County's ten year debt plan predicts that in 2015, debt service will be 9.25 percent of expenditures. The County shall manage its debt issuance such that after an unavoidable choppiness in this ratio in the early years of the plan due to an irregular debt profile this ratio will not increase until it is below 10%.

Net Direct Debt as percentage of Full Valuation
Goal: The County's tax-supported net direct debt will not exceed 0.85 percent of the full valuation of taxable real property in the County.

Current Status: Currently the tax-supported debt of the County's six major funds is 1.31 percent of the full valuation of taxable real property in the County. The County's ten year debt plan predicts that in 2015, debt will be 0.61 percent of the full valuation of taxable real property in the County.

Net Direct Debt per Capita
Goal: The County's tax-supported debt per capita will not exceed $1,600.

Current Status: Currently the tax-supported debt per capita of the County's six major funds is $1,961. The County's ten year debt plan predicts that in 2015, debt per capita will be $1,554. The County expects to reach this target in 2014 and shall manage its debt issuance such that this ratio does not increase until it is below $1,600.

BOND STRUCTURE

The County shall establish all terms and conditions relating to the issuance of bonds, and will invest all bond proceeds pursuant to the terms of the County's Investment Policy. Unless otherwise authorized by the County, the following shall serve as bond requirements:

Terms: All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements.

Capitalized Interest: From time to time certain financings may require the use of capitalized interest from the issuance date until the County has beneficial use and/or occupancy of the financed project. Interest shall not be funded (capitalized) beyond three years or a shorter period if further restricted by law. Interest earnings may, at the County's discretion, be applied to extend the term of capitalized interest but in no event beyond the term allowed by law.

Debt Service Structure: Debt issuance shall be planned to achieve relatively level debt service while matching debt service to the useful life of facilities. The County shall avoid the use of bullet or balloon maturities except in those instances where these maturities serve to make existing overall debt service level. The County may elect a more rapid or other debt service structure, such as declining debt service (i.e. equal principal amortization) at its discretion.

Call Provisions: In general, the County's debt will include an early redemption (or "call") feature, which is no later than 10 years from the date of delivery of the bonds. The County will avoid the sale of non-callable bonds absent careful, documented evaluation by the County in conjunction with its financial advisor with respect to the value of the call option.

Original Issue Discount: An original issue discount will be permitted if the County determines that such discount results in a lower true interest cost on the bonds and that the use of an original issue discount will not adversely affect the project funding.

Deep Discount Bonds: Deep discount bonds may provide a lower cost of borrowing in certain markets. The County will carefully consider their value and effect on any future refinancings as a result of the lower-than-market coupon associated with deep discount bonds.

Derivatives Structure: The County will consider the use of derivatives as a hedge against future interest rate risk or to create "synthetic" fixed rate or variable rate debt, when appropriate. The County will not use derivative structures for speculative purposes. The County will consider the use of derivative structures when it is able to gain a comparative borrowing advantage of 25or more basis points, and is able to quantify and understand potential risks.

TYPES OF DEBT

When the County determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

Long-Term Debt: The County may issue long-term debt (general obligation bonds) where it is deemed that capital improvements not be financed from current revenues. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be structured such that financial obligations do not exceed the expected useful life of the project.

Short-Term Debt: Short-term borrowing may be utilized for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates). The County will determine and utilize the least costly method for short-term borrowing subject to the following policies:

a) *Bond Anticipation Notes (BANs)* may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project. The BANs shall not mature more than 5 years from the date of issuance. BANs shall mature within 6 months after substantial completion of the financed project.

b) *Tax or Revenue Anticipation Notes (TANs or RANs)* shall be issued only to meet cash flow needs.

c) *Lines of Credit* shall be considered as an alternative to other short-term borrowing options. The lines of credit shall be structured to limit concerns as to the Internal Revenue Code.

d) *Other Short-Term Debt*, including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable.

Lease Purchase Obligation: Lease purchase obligations, including certificates of participation or lease revenue bonds, shall be considered as an alternative to long-term vendor leases. Such debt shall be subject to annual appropriation. In order to reduce the cost of lease borrowing and to improve control over leases, the County may adopt a master lease program.

Variable Rate Debt: To maintain a predictable debt service burden, the County may give preference to debt that carries a fixed interest rate. The County, however, may consider variable rate debt. The percentage of variable rate debt outstanding (excluding debt which has been converted to synthetic fixed rate debt) shall not exceed 20%, unless there is an offsetting amount of operating cash earning a floating interest rate, of the County's total outstanding debt and will take into consideration the amount and investment strategy of the County's operating cash. The following circumstances may result in the consideration of issuing variable rate debt:

a) *High Interest Rates.* Interest rates are above historic averages.

b) *Variable Revenue Stream.* The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.

c) *Adequate Safeguards Against Risk.* Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps and short –term cash investments in the County's General Fund.

d) F*inancial Advisor Analysis*. An analysis from the County's Financial Advisor evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.

e) *As a Component to Synthetic Fixed Rate Debt.* Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the County shall certify that the interest rate cost is at least 25 basis points lower than traditional fixed rate debt.

REFINANCING

The Deputy Executive of Budget and Finance with assistance from the County's Financial Advisor shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The County will consider the following issues when analyzing possible refunding opportunities:

Debt Service Savings: The County establishes a minimum present value savings threshold of 2% of the refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 2%, the County may consider the option value captured as a percent of total savings. If the option value captured as a percent of total savings exceeds 70% and present value savings is less than 2%, the County may opt to complete a refunding. Debt service savings may be taken in equal amounts over time or on an upfront or deferred basis, at the County's discretion.

Restructuring: The County will refund debt when it is in the best financial interest of the County to do so. Such refundings will be limited to restructuring to meet unanticipated revenue shortfalls, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

Term of Refunding Issues: The County will refund bonds within the term of the originally issued debt. However, the County may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The County may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

Escrow Restructuring: The County shall utilize the least costly securities available in structuring refunding escrows. A certificate will be provided by a third party agent stating that the securities were procured through an arms-length, competitive bid process (in the case of open market securities), that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the County from its own account.

Arbitrage: The County shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refundings. Any resulting positive arbitrage will be rebated as necessary according to Federal guidelines.

METHODS OF ISSUANCE

The County will determine the method of issuance on a case-by-case basis.

Competitive Sale: In a competitive sale, the County's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

Negotiated Sale: The County recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the County shall assess the following circumstances:

a) Bonds issued as variable rate demand obligations
b) A structure which may require a strong pre-marketing effort such as a complex transaction or a "story" bond
c) Size of the issue which may limit the number of potential bidders
d) Market volatility is such that the County would be better served by flexibility in timing a sale in a changing interest rate environment

Private Placement: From time to time the County may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the County relative to other methods of debt issuance.

CREDIT ENHANCEMENT

The County seeks to maintain the highest possible credit rating for all categories of short-and long-term debt that can be achieved without compromising delivery of basic County services and achievement of adopted County policy objectives. The County recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. The County is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, County departments, and the general public to share clear, comprehensible, and accurate financial information. The County is committed to meeting secondary disclosure requirements on a timely and comprehensive basis.

The County will consider the use of credit enhancements (as listed below) on a case-by-case basis, evaluating the economic benefit versus cost for each case.

Bond Issuance: The County may purchase bond insurance when such purchase is deemed prudent and advantageous. Use of bond insurance shall be based on such insurance being less costly than the present value of the difference between the interest on insured bonds versus uninsured bonds.

In the case of a competitive sale, the County may permit bidders for its bonds to purchase bond insurance if such insurance will enhance the market reception and lower the interest rate on the County's bonds. The County will submit an application for pre-qualification for insurance to facilitate bidders' ability to purchase bond insurance. The winning bidder in a competitive sale will bear any associated cost with such enhancement.

In the instance of a negotiated sale, the County will solicit quotes for bond insurance from interested providers. The County will select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the County.

Debt Service Reserves: As of the date of this Policy, the County does not have any revenue bonds or other debt outstanding which require a reserve for debt service. If such programs are developed in the future, a reserve fund may be funded from bond proceeds, subject to federal tax regulations and in accordance with the requirements of credit enhancement providers and/or rating agencies. The County may purchase reserve equivalents (i.e., a reserve fund surety or letter of credit) when such purchase is deemed prudent and advantageous. Such equivalents shall be evaluated in comparison to cash funding of reserves on a net present value basis.

Letters of Credit: The County may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The County will prepare and distribute, a request for proposals to qualified banks which includes terms and conditions that are acceptable to the County.

UNDERWRITER SELECTION

Senior Manager Selection: The County shall select a senior manager for any proposed negotiated sales. The selection criteria shall include but not be limited to the following:

a) The firm's ability and experience in managing transactions similar to that contemplated by the County

b) Prior knowledge and experience with the County
c) The firm's ability and willingness to risk capital and demonstration of such risk & capital availability
d) Quality and experience of personnel assigned to the County's engagement
e) Financing plan presented
f) Underwriting fees

Co-Manager Selection: Co-managers may be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the County's bonds.

Selling Groups: The County may establish selling groups in certain transactions. To the extent that selling groups are used, the Deputy Executive of Budget and Finance at his or her discretion, may make appointments to selling groups from within the pool of underwriters or from outside the pool, as the transaction dictates.

Underwriter's Counsel: In any negotiated sale of County debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager with input from the County.

Underwriter's Discount: The Deputy Executive of Budget and Finance with assistance from the County's financial advisor will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Deputy Executive of Budget and Finance will determine the allocation of fees, if any, with respect to the management fee. The determination will be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Deputy Executive of Budget and Finance. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance: The County will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Syndicate Policies: For each negotiated transaction, the Deputy Executive of Budget and Finance will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Deputy Executive of Budget and Finance shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Designation Policies: To encourage the pre-marketing efforts of each member of the underwriting team, orders for the County's bonds will be net designated, unless otherwise expressly stated. The County shall require the senior manager to:

a) Equitably allocate bonds to other managers and the selling group
b) Comply with MSRB regulations governing the priority of orders and allocations

c) Within 10 working days after the sale date, submit to the Deputy Executive of Budget and Finance a detail of orders, allocations and other relevant information pertaining to the County's sale

CONSULTANTS

Financial Advisor: The County shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. Selection of the County's financial advisor(s) shall be based on, but not limited to, the following criteria:

a) Experience in providing consulting services to entities similar to the County
b) Knowledge and experience in structuring and analyzing bond issues
c) Experience and reputation of assigned personnel
d) Fees and expenses

Conflicts of Interest: The County requires that its consultants and advisors provide objective advice and analysis, maintain the confidentiality of County financial plans, and be free from any conflicts of interest.

Bond Counsel: County debt will include a written opinion by legal counsel affirming that the County is authorized to issue the proposed debt, that the County has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status. The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues. The counsel will be selected by the County.

Disclosure by Financing Team Members: All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which is solely in the County's best interests or which could reasonably be perceived as a conflict of interest.

DEBT SERVICE GLOSSARY

Arbitrage. The difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding taxable securities. IRS regulations govern arbitrage on the proceeds from issuance of municipal securities.

Balloon Maturity. A later maturity within an issue of bonds which contains a disproportionately large percentage of the principal amount of the original issue.

Bond Anticipation Notes (BANs). Notes which are paid from the proceeds of the issuance of long-term bonds. Typically issued for capital projects.

Bullet Maturity. A maturity for which there are no principal and/or sinking fund payments prior to the stated maturity date.

Call Provisions. The terms of the bond giving the issuer the right to redeem all or a portion of a bond prior to its stated date of maturity at a specific price, usually at or above par.

Capitalized Interest. A portion of the proceeds of a bond issue which is set aside to pay interest on the same bond issue for a specific period of time. Interest is commonly capitalized for the construction period of the project.

Commercial Paper. Very short-term, unsecured promissory notes issued in either registered or bearer form, and usually backed by a line of credit with a bank.

Competitive Sale. A sale/auction of securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. Contrast to a negotiated sale.

Continuing Disclosure. The principle that accurate and complete information material to the transaction which potential investors would be likely to consider material in making investment decisions with respect to the securities be made available on an ongoing basis.

Credit Enhancement. Credit support purchased by the issuer to raise the credit rating of the issue. The most common credit enhancements consist of bond insurance, direct or standby letters of credit, and lines of credit.

Debt Service Coverage. Net Revenue available for debt service divided by debt service.

Debt Service Reserve Fund. The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Deep Discount Bonds. Bonds which are priced for sale at a substantial discount from their face or par value.

Derivatives. A financial product whose value is derived from some underlying asset value.

Designation Policies. Outline how an investor's order is filled when a maturity is oversubscribed when there is an underwriting syndicate. The senior managing underwriter and issuer decide how the bonds will be allocated among the syndicate. There are three primary classifications of orders which form the designation policy: Group Net orders; Net Designated orders and Member orders.

Escrow. A fund established to hold moneys pledged and to be used to pay debt service on an outstanding issue.

Expenses. Compensates senior managers for out-of-pocket expenses including: underwriters counsel, DTC charges, travel, syndicate expenses, dealer fees, overtime expenses, communication expenses, computer time and postage.

Letters of Credit. A bank credit facility wherein the bank agrees to lend a specified amount of funds for a limited term.

Management Fee. The fixed percentage of the gross spread which is paid to the managing underwriter for the structuring phase of a transaction.

Members. Underwriters in a syndicate other than the senior underwriter.

Negotiated Sale. A method of sale in which the issuer chooses one underwriter to negotiate terms pursuant to which such underwriter will purchase and market the bonds.

Net Revenue. Defined in greater detail by the County's Indenture. Net Revenue is the difference between gross revenue and operating and maintenance expenses.

Original Issue Discount. The amount by which the original par amount of an issue exceeds its public offering price at the time it is originally offered to an investor.

Pay-As-You-Go. An issuer elects to finance a project with existing cash flow as opposed to issuing debt obligations.

Present Value. The current value of a future cash flow.

Private Placement. The original placement of an issue with one or more investors as opposed to being publicly offered or sold.

Rebate. A requirement imposed by Tax Reform Act of 1986 whereby the issuer of tax-exempt bonds must pay the IRS an amount equal to its profit earned from investment of tax-exempt bond proceeds at rates exceeding the tax-exempt borrowing rate. The tax-exempt borrowing rate (or "bond yield") is calculated pursuant to the IRS code together with all income earned on the accumulated profit pending payment.

Selling Groups. The group of securities dealers who participate in an offering not as underwriters but rather who receive securities less the selling concession from the managing underwriter for distribution at the public offering price.

Syndicate Policies. The contractual obligations placed on the underwriting group relating to distribution, price limitations and market transactions.

Underwriter. A dealer that purchases new issues of municipal securities from the Issuer and resells them to investors.

Underwriter's Discount. The difference between the price at which bonds are bought by the Underwriter from the Issuer and the price at which they are reoffered to investors.

Variable Rate Debt. An interest rate on a security which changes at intervals according to an index or a formula or other standard of measurement as stated in the bond contract.

Nassau County Projected Debt Program as of 10/31/05
Baseline
Credit Ratios

Results	12/31/2005	12/31/2006	12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015
(1) Population	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000	1,345,000
(2) Full Value	190,596,411,100	202,032,195,766	214,154,127,512	227,003,375,163	240,623,577,672	255,060,992,333	270,364,651,873	286,586,530,985	303,781,722,844	322,008,626,215	341,329,143,788
Net Direct Debt	2,629,976,333	2,637,329,868	2,571,329,009	2,515,589,590	2,466,650,882	2,420,945,678	2,373,780,097	2,307,853,571	2,212,071,791	2,152,414,760	2,089,690,625
(3) Overall Adjusted Debt	5,100,514,333	5,107,867,868	5,041,867,009	4,986,127,590	4,937,188,882	4,891,483,678	4,844,318,097	4,778,391,571	4,682,609,791	4,622,952,760	4,560,228,625
Debt Service	308,118,595	291,588,539	312,982,615	317,822,648	317,325,678	316,252,225	318,318,019	317,809,093	321,379,211	309,566,509	309,566,509
(4) Expenditures	2,408,756,747	2,408,756,747	2,579,120,988	2,668,365,128	2,751,187,935	2,846,509,103	2,964,915,551	3,047,089,828	3,147,017,446	3,248,929,209	3,346,835,009
Credit Ratios											
Net Direct Debt per Capita	1,955	1,961	1,912	1,870	1,834	1,800	1,765	1,716	1,645	1,600	1,554
Overall Debt per Capita	3,792	3,798	3,749	3,707	3,671	3,637	3,602	3,553	3,481	3,437	3,391
Net Direct Debt as % of Full Value	1.38%	1.31%	1.20%	1.11%	1.03%	0.95%	0.88%	0.81%	0.73%	0.67%	0.61%
Overall Debt as % of Full Value	2.68%	2.53%	2.35%	2.20%	2.05%	1.92%	1.79%	1.67%	1.54%	1.44%	1.34%
Debt Service as % of Expenditures	12.79%	12.11%	12.14%	11.91%	11.53%	11.11%	10.74%	10.43%	10.21%	9.53%	9.25%

Footnotes
(1) United States Census Bureau, State and County QuickFacts, 7/30/02
(2) Nassau County 2004 CAFR, full value growing at 6%
(3) Nassau County 2004 CAFR, Overlapping Debt held constant at $2,470,538,000
(4) Nassau County 2006-2009 Multi Year Plan, Trended from 2005-2009 data after 2009

APPENDICES

APPENDIX A
MULTI-YEAR PLAN BASELINE INFLATORS

One of the strengths of the Suozzi Administration's financial plans has been that they have been founded on reasonable, achievable and appropriately conservative assumptions. This has limited the size of baseline risks and enabled the County to focus on implementing its gap closing plan without having to worry about falling behind aggressive initial targets. This conservatism has helped the Administration generate sizeable surpluses in each of its first three years in office.

Table A.1 below identifies the primary assumptions in the Fiscal 2006-2009 Multi-Year Financial Plan baseline and serves as evidence of this commitment to conservatism.

Table A.1: MYP Baseline Inflators

Expense / Revenue Category	Baseline Inflator	Explanation
Wages	variable	Reflect terms of existing contracts
Non-Police Pension Contribution	11.7%	0.50% rate reduction for payment in 2007 payments.
Police Pension Contribution	17.6%	0.07% rate increase beginning with 2007 payments.
Health Insurance - Actives	8.0%	Higher than State optimistic estimate.
Health Insurance - Retirees	5.0%	Higher than State optimistic estimate.
Other-Than-Personal-Services	1.25%	Reflects commitment to contain administrative spending
Utilities	6.2%, 3.1%, 2.2%	For 2007 - 2009 respectively, based on U.S. Dept of Energy estimate
Medicaid	Capped	Based on recently approved State medicaid cap formula
Social Services Entitlements	4.4 - 5.0%	Reflects most current information
Early Intervention Program	3.3%	Reflects most current information
Special Education Program	3.3%	Reflects most current information
State Aid	variable	Variable based upon reimbursement formula
Federal Aid	variable	Variable based upon reimbursement formula
Sales Tax	3.2%	2.6% growth in 2005.
Property Tax	0.0%	No property tax increase in the baseline

APPENDIX B
SUMMARY OF RECURRING MULTI-YEAR PLAN BASELINE CHANGES
(all dollars in millions)

Expense/Revenue Category	FY2006	FY2007	FY2008	Cumulative
State Aid	$20.75	$22.35	$24.15	$67.25
Fringe Benefits	$4.98	$13.28	$24.12	$42.38
Medicare Part D Subsidy	$10.40	$10.40	$10.40	$31.21
Sales Tax - Annual Growth	$3.59	$12.12	$14.53	$30.24
HHS Mandates (Non-Medicaid)	$5.42	$6.21	$7.08	$18.71
Contractual Services	$3.42	$3.60	$3.96	$10.98
Hotel/Motel Tax	$1.50	$1.50	$1.50	$4.50
Medicaid Cap Impacts	$2.65	$2.73	$2.81	$8.19
NIFA Expenditures	$0.55	$0.46	($1.10)	($0.09)
Debt Service	$5.85	($0.78)	($6.84)	($1.77)
Utility Costs	($1.26)	($3.75)	($5.52)	($10.53)
Federal Aid	($9.47)	($7.65)	($5.12)	($22.25)
Salaries & Wages	($10.05)	($13.24)	($7.56)	($30.86)

APPENDIX C: BORROWING SCHEDULE

Nassau County
2006-2009 Multi Year Plan (Adopted)
Borrowing Schedule
November 03, 2005 10:38

	Issuer	Proceed Requirement	Sale Date	First Interest Payment Date	First Principal Payment Date	Final Principal Payment Date	Weighted Average Life	Interest Rate Mode	True Interest Cost
2005 Fall Borrowing	NIFA	169,800,000							
Capital		10,000,000	11/15/05	05/15/06	11/15/07	11/15/26	13.12	Fixed	5.45%
NUMC Capital		5,000,000	11/15/05	05/15/06	11/15/07	11/15/26	13.12	Fixed	5.45%
Building Consolidation		13,800,000	11/15/05	05/15/06	11/15/07	11/15/26	13.12	Fixed	5.45%
Certiorari		131,000,000	11/15/05	05/15/06	11/15/07	11/15/26	13.12	Fixed	5.45%
Judgment		10,000,000	11/15/05	05/15/06	11/15/07	11/15/26	13.13	Fixed	5.45%
			Note: The County does not expect to need a cash flow borrowing during 2005. It may choose to pre-pay its 2006 pension payment at an 8% discount in 2005 generating an overall savings for the 2006 budget.						
2005 Cash Flow Borrowings		120,000,000							
TAN (New)		120,000,000	12/15/05	N/A	N/A	10/15/06			
2005 Nassau Bond & BAN & CF Annual Total		**289,800,000**							
2006 Borrowing-Bonds		171,363,264							
Capital		103,180,420	07/01/06	01/01/07	01/01/07	01/01/26	11.81	Fixed	6.22%
Open Space		10,000,000	07/01/06	01/01/07	01/01/07	01/01/26	11.81	Fixed	6.22%
Building Consolidation		23,182,844	07/01/06	01/01/07	01/01/07	01/01/26	11.81	Fixed	6.22%
Judgments & Settlements		35,000,000	07/01/06	01/01/07	01/01/07	01/01/26	11.81	Fixed	6.22%
2006 Cash Flow Borrowings		120,000,000							
TAN (New)		120,000,000	01/01/06	N/A	N/A	10/15/07			
2006 Nassau Bond & BAN & CF Annual Total		**291,363,264**							
2007 Borrowing-Bonds		158,845,256							
Capital		118,845,256	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Open Space		10,000,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Judgments & Settlements		30,000,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Cash Flow Borrowings		120,000,000							
TAN (New)		120,000,000	01/01/06	N/A	N/A	10/15/08			
2007 Nassau Bond & BAN & CF Annual Total		**278,845,256**							
2008 Borrowing-Bonds		148,920,524							
Capital		108,920,524	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Open Space		15,000,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Judgments & Settlements		25,000,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Cash Flow Borrowings		120,000,000							
TAN (New)		120,000,000	01/01/06	N/A	N/A	10/15/09			
2008 Nassau Bond & BAN & CF Annual Total		**268,920,524**							
2009 Borrowing-Bonds		147,342,000							
Capital		112,342,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Open Space		15,000,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Judgments & Settlements		20,000,000	07/01/07	01/01/08	01/01/08	01/01/27	11.81	Fixed	6.22%
Cash Flow Borrowings		120,000,000							
TAN (New)		120,000,000	01/01/06	N/A	N/A	10/15/10			
2009 Nassau Bond & BAN & CF Annual Total		**267,342,000**							

APPENDIX D: DEBT SERVICE BASELINE

Nassau County
Adopted 2006-2009 MYP
Baseline

Existing Debt Service Obligations

	12/31/2006	12/31/2007	12/31/2008	12/31/2009
General Fund Obligations				
Long Term Debt				
Principal	95,589,557	79,969,514	66,377,680	59,201,663
Interest	21,052,564	16,040,454	11,991,279	8,483,642
NIFA Set Asides				
Principal	53,787,577	74,301,885	79,987,859	84,235,173
Interest	73,372,111	76,846,525	74,391,549	70,911,683
Defeasance				
Total	243,801,809	247,158,378	232,748,367	222,832,161
Parks And Recreation				
Long Term Debt				
Principal	11,597,291	10,744,426	10,120,506	8,563,587
Interest	2,945,877	2,366,080	1,838,557	1,351,328
NIFA Set Asides				
Principal	1,491,043	1,985,613	2,030,860	2,570,274
Interest	1,698,701	1,762,837	1,692,453	1,602,300
Total	17,732,912	16,858,957	15,682,376	14,087,488
Police District				
Long Term Debt				
Principal	639,381	124,770	50,982	53,199
Interest	36,199	10,174	4,693	1,602
NIFA Set Asides				
Principal	35,291	34,067	36,370	48,222
Interest	34,883	37,568	36,634	34,925
Total	745,754	206,579	128,680	137,948
Police Headquarters				
Long Term Debt				
Principal	1,387,393	924,071	907,352	794,354
Interest	426,288	355,144	305,137	255,624
NIFA Set Asides				
Principal	610,665	772,793	792,484	991,596
Interest	709,551	714,401	688,032	653,424
Total	3,133,897	2,766,409	2,693,005	2,694,998
Fire Prevention Fund				
Long Term Debt				
Principal	445,816	369,751	201,384	181,436
Interest	87,068	63,944	48,995	38,208
NIFA Set Asides				
Principal	123,148	163,397	163,729	206,349
Interest	112,206	112,222	105,538	98,338
Total	768,239	709,314	519,646	524,331

APPENDIX D: DEBT SERVICE BASELINE (continued)

Nassau County
Adopted 2006-2009 MYP
Baseline

Existing Debt Service Obligations

	12/31/2006	12/31/2007	12/31/2008	12/31/2009
Community College				
Long Term Debt				
Principal	3,646,658	2,890,886	2,083,787	1,867,773
Interest	734,646	534,672	386,657	275,554
NIFA Set Asides				
Principal	1,207,074	1,498,103	1,566,451	1,925,428
Interest	1,046,983	1,025,635	960,532	891,399
Total	6,635,360	5,949,297	4,997,427	4,960,154
Water related project				
Long Term Debt				
Principal	1,777,125	1,409,340	1,105,604	1,064,425
Interest	423,740	330,759	257,017	191,746
NIFA Set Asides				
Principal	648,189	828,133	900,368	1,034,722
Interest	720,231	719,718	685,870	646,576
Total	3,569,285	3,287,951	2,948,858	2,937,469
Sewer related project				
Long Term Debt				
Principal	41,000	42,000	43,000	44,000
Interest	13,515	10,676	7,846	4,869
NIFA Set Asides				
Principal	805,345	1,186,008	1,220,213	1,306,570
Interest	1,156,077	1,205,855	1,166,815	1,115,665
Total	2,015,938	2,444,539	2,437,874	2,471,104
Total General Improvement				
Long Term Debt				
Principal	115,124,221	96,474,758	80,890,295	71,770,437
Interest	25,719,897	19,711,905	14,840,180	10,602,573
Less: Existing Water Related				
Less: Series 1993 Retirement Bonds				
Defeasance	-	-	-	-
Total	140,844,118	116,186,662	95,730,475	82,373,010

APPENDIX D: DEBT SERVICE BASELINE (continued)

Nassau County
Adopted 2006-2009 MYP
Baseline

Existing Debt Service Obligations

	12/31/2006	12/31/2007	12/31/2008	12/31/2009
Total Existing NIFA				
Principal	58,708,333	80,770,000	86,698,333	92,318,333
Interest	78,850,743	82,424,762	79,727,424	75,954,310
Total	137,559,076	163,194,762	166,425,757	168,272,643
Expense of Loans	500,000	500,000	500,000	500,000
Short Term Interest				
BAN Interest	-	-	-	-
RAN Interest	-	-	-	-
TAN Interest	3,867,254	4,342,313	5,101,002	2,815,542
Total	3,867,254	4,342,313	5,101,002	2,815,542
Total General Obligation	282,770,449	284,223,738	267,757,234	253,961,196
TOTAL EXISTING OBLIGATIONS	**282,770,449**	**284,223,738**	**267,757,234**	**253,961,196**
Future Obligations				
Future County Debt Service	-	15,139,878	29,374,330	42,674,483
Total County Debt Service	-	15,139,878	29,374,330	42,674,483
Future NIFA Set Asides				
Carve Out	6,012,049	9,718,250	16,792,167	16,791,750
20 Level Debt	2,806,042	3,900,750	3,898,917	3,898,250
Total Future NIFA Set-Asides	8,818,090	13,619,000	20,691,083	20,690,000
Future Hospital related project				
Long Term Debt				
Principal	-	-	-	-
Interest	-	-	-	-
NIFA Set Asides	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total	-	-	-	-
TOTAL FUTURE OBLIGATIONS	8,818,090	28,758,878	50,065,414	63,364,483
TOTAL COUNTY DEBT SERVICE	291,588,539	312,982,615	317,822,648	317,325,678

APPENDIX E
NASSAU COMMUNITY COLLEGE FINANCIAL PLAN (FISCAL 2006-2009)
(Provided by Nassau Community College)

NASSAU COMMUNITY COLLEGE
Four Year Budget Projection Plan
2006-2009

	2005 Adopted Budget	2006 Adopted Budget	2007 Projected Operating Results	2008 Projected Operating Results	2009 Projected Operating Results
EXPENSES					
Salaries	105,594,832	110,105,147	114,397,432	118,858,932	123,494,431
Fringe Benefits	36,420,823	40,955,000	45,673,292	50,538,449	56,237,818
Sub-total	142,015,655	151,060,147	160,070,724	169,397,381	179,732,249
Equipment	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Materials & Supplies	1,500,000	1,525,000	1,575,000	1,650,000	1,725,000
General Expenses	4,441,000	4,800,000	4,600,000	4,700,000	4,800,000
Contractual	5,747,740	6,225,285	6,104,175	6,272,546	6,400,000
Utility Costs	1,015,133	1,100,000	1,150,000	1,200,000	1,250,000
Interfund Charges	5,624,320	6,700,000	6,901,000	7,108,029	7,321,269
Other	115,000	115,000	120,000	120,000	120,000
Sub-total	20,443,193	22,465,285	22,450,175	23,050,575	23,616,269
Total	162,458,848	173,525,432	182,520,900	192,447,956	203,348,518
REVENUES					
Investment Income	500,000	250,000	275,000	300,000	325,000
Rents & Recoveries	1,122,000	1,122,000	1,122,000	1,122,000	1,122,000
Revenue Offset to Expenses	3,900,000	3,900,000	4,100,000	4,100,000	4,100,000
Service Fees	3,705,000	3,705,000	3,905,000	3,905,000	3,905,000
Student Revenues	55,203,309	61,558,934	67,793,247	74,360,840	81,804,766
Revenue in Lieu of Spons Share	11,798,322	13,124,781	13,636,647	14,168,476	14,723,920
Federal Aid	250,000	241,000	250,000	250,000	250,000
State Aid	41,181,500	43,077,850	43,077,850	43,994,400	44,910,950
Property Taxes	44,798,717	46,545,867	48,361,156	50,247,240	52,206,882
Total	162,458,848	173,525,432	182,520,900	192,447,956	203,348,518
Fund Balance Beginning	5,117,168	5,117,168	5,117,168	5,117,168	5,117,168
Structural balance	0	0	0	0	0
Fund Balance Ending	5,117,168	5,117,168	5,117,168	5,117,168	5,117,168

APPENDIX F
NASSAU HEALTH CARE CORPORATION (FISCAL 2005-2009)
(Provided by the Nassau Health Care Corporation)

Nassau Health Care Corporation and Subsidiaries
Fiscal 2005 - 2009 Multi-Year Financial Plan
Consolidated
(In Thousands)

	Adopted 2005 Budget	As of 6/30/05 2005 Projected	2006 Projected	2007 Projected	2008 Projected	2009 Projected
Operating Revenues:						
Net patient service revenue	387,240	378,574	390,030	401,660	413,637	425,970
NYS Intergovernmental transfer	7,399	7,399	4,500	4,500	4,500	4,500
Nassau County Billings	28,236	28,236	29,224	30,246	31,305	32,401
Historical Mission/Article VI Payments	18,500	18,500	18,000	18,000	18,000	18,000
Federal & State Aid	7,660	7,660	7,660	7,660	7,660	7,660
Practice Plan Revenue	0	0	0	0	0	0
Miscellaneous	12,069	11,847	11,847	11,847	11,847	11,847
Total operating revenue	461,104	452,216	461,261	473,913	486,949	500,378
Operating Expenses:						
Salaries	201,231	203,073	210,114	217,938	228,554	234,474
Fringe Benefits	67,708	73,859	77,941	81,919	86,105	90,317
Supplies	25,710	21,173	21,808	22,462	23,136	23,830
Expenses	79,964	76,939	78,958	81,065	83,235	85,471
Utilities	19,426	18,771	20,085	21,485	22,984	24,588
Depreciation	14,796	14,810	14,810	14,810	14,810	14,810
Interest Expense	11,309	11,309	11,204	11,045	10,776	10,496
Bad Debt Expense	48,959	43,702	45,013	46,339	47,704	49,109
Total operating expenses	469,103	463,636	479,933	497,063	517,304	533,095
Gain (Loss) From Operations	(7,999)	(11,420)	(18,672)	(23,150)	(30,355)	(32,717)
NonOperating Revenues:						
Investment Income	1,480	1,542	1,542	1,542	1,542	1,542
BASELINE GAP AS OF June 30, 2005	(6,519)	(9,878)	(17,130)	(21,608)	(28,813)	(31,175)

***** Captive not eliminated***

Major Assumptions

1) Pension expense projected at 10.7% of payroll expense from April 1, 2005 through 2009

2) Annual growth in health insurance premiums is approximately $3,500 per year (12%)

3) Salary cost include 1.25% step increase each year and cost of living (COLA) of 2.5% in 2006-2009.

**4) Intergovernmental Transfer (IGT) Revenue at A. Holly Patterson phased-out in 2006
NUMC IGT revenue is projected at $4,500 per annum for 2006 - 2009.**

5) Nassau County Mission Payment assumed to remain at $18 million for 2006-2009.

6) Projected 2005 through 2009 are predicated on June 2005 run rates, to be updated quarterly, including anticipated changes to trends and volume.

7) Nassau County Billings exclude approximately $10 Million of pass-through items such as Termination pay and Health Insurance for retirees incurred on behalf of Nassau County.

APPENDIX F
NASSAU HEALTH CARE CORPORATION (FISCAL 2005-2009)
(Provided by the Nassau Health Care Corporation)

Nassau Health Care Corporation and Subsidiaries
Fiscal 2005 - 2009 Multi-Year Financial Plan
Consolidated
(In Thousands)

			As of 6/30/05 2005 Projected	2006 Projected	2007 Projected	2008 Projected	2009 Projected
	BASELINE GAP AS OF June 30, 2005		(9,878)	(17,130)	(21,608)	(28,813)	(31,175)
	GAP CLOSING MEASURES	**Pending Date**					
NUMC	labor attritions, overtime reductions to meet industry standards. (40 FTE's)	01/01/06		$ 2,283	$ 2,369	$ 2,458	$ 2,550
AHP	Census increase Specialty Unit (20 Patients)	01/01/06	$ -	$ 1,460	$ 1,504	$ 1,549	$ 1,595
NUMC	Improve the revenue cycle by taking the necessary steps to capture required patient information, accurately document and code medical records, and bill and collect for all services, particularly emergency and ambulatory care services. Increase Medicare Outpatient billing through proper charge capture for APC Billing and other reimbursement initiatives	10/01/05	$ 2,500	$ 4,500	$ 4,635	$ 4,774	$ 4,917
NUMC	Seek approval for 30 bed Substance Abuse Rehabilitation	04/20/06		800	$ 1,236	$ 1,273	$ 1,311
NUMC	35 additional psychiatry beds	08/16/06		$ 1,467	$ 4,532	$ 4,668	$ 4,808
NUMC	13 Adolescent Psych	01/01/06		$ 1,700	$ 1,751	$ 1,804	$ 1,858
NUMC	Dialysis Expansion	07/01/06		$ 375	$ 750	$ 750	$ 750
AHP	Decertify beds-Seek "bed hold" reimbursement occasioned by the reduced licensed capacity.	01/01/06	$ -	$ 1,700	$ 1,751	$ 1,804	$ 1,858
AHP	Seek Hospital Based Status	01/01/07	$ -	$ -	$ 5,000	$ 5,150	$ 5,305
NHCC	Supply Chain Initiative - Pharmacy	09/01/05	$ 500	$ 1,500	$ 1,545	$ 1,591	$ 1,639
NHCC	Supply Chain Initiative - GPO Contract	09/01/05	$ 500	$ 1,500	$ 1,545	$ 1,591	$ 1,639
NHCC	AHP Sale and defeasance of Bonds	12/31/06				$ 4,056	$ 4,020
	Sub-Total		3,500	17,285	26,618	31,468	32,250
	TOTAL SURPLUS/ DEFICIT AFTER GAP CLOSING MEASURES		(6,378)	155	5,010	2,655	1,075